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East Germany Shifts Priority Away From Ties With Bonn

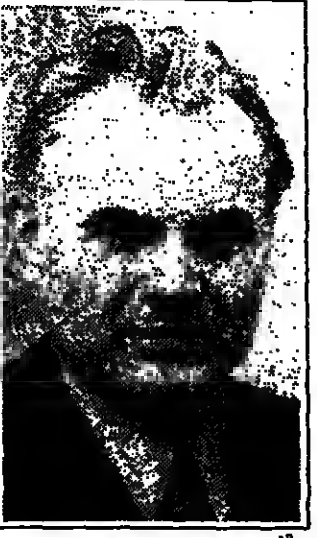
By Henry Tanner
International Herald Tribune
DRESDEN, East Germany — East German officials, accusing the West German government of having tried to drive a wedge between them and the Soviet Union, no longer regard improvement of relations between the two Germanys as their immediate priority.

In a tactical and perhaps temporary departure from policies pursued through 1983 and most of 1984, they no longer hold that an inner-German dialogue is essential to prevent superpower tensions from coming to a head in Central Europe.

Instead, they seem to have decided not to take further initiatives toward Bonn at least until the first results of next year's Soviet-American negotiations become evident.

These were among the points that emerged from a conversation with Hans Modrow, the party secretary of the ruling Socialist Unity (Communist) Party for the Dresden district, at his office here last week.

Mr. Modrow, 56, is one of the most prominent figures in the younger generation of East Ger-



Hans Modrow

man leaders surrounding Erich Honecker, 72, the chief of state.

Mr. Modrow made it clear that the views he expressed reflected those of the central government in East Berlin and of Mr. Honecker.

He indicated that East Germany's immediate objective now was to improve relations with major Western European countries, especially France, Italy and Belgium, and not just with West Germany.

He asserted that Mr. Kohl's government has hardened its overall policy toward Eastern Europe and that close cooperation between the two Germanys was not possible if Bonn let its relations with the Soviet Union, Poland and other Communist countries deteriorate.

Many West German politicians and some officials had fundamentally misjudged Mr. Honecker's desire for improved inner-German relations and "jumped to the false conclusion that they could separate us from the Soviet Union," he said.

"We felt we had become the target of a deliberate attempt to drive a wedge between us and Moscow," he said.

He cited public statements by leading West German officials that the question of German reunification must remain open. He noted

EC Deputies Reject Budget For New Year, Causing Crisis

STRAZBOURG — The European Parliament on Thursday rejected the European Community's budget for the second time in its history, worsening the EC's financial uncertainty.

The parliament voted overwhelmingly to throw out the 1985 budget, forcing the 10-nation EC to adopt an emergency financing system beginning Jan. 1.

In its resolution, the Parliament said the budget of 26 billion European Currencies (\$19 billion) submitted by the national governments was unacceptable because it would not be enough to cover 12 months' expenditure.

[The Parliament called for retaliatory trade measures against the United States for its decision to limit imports of EC steel pipes and tubes. The Associated Press reported. The resolution condemned the curbs and urged the community to apply immediately "all compensatory provisions" of the General Agreement on Tariffs and Trade.]

In the budget debate, only a few British Conservative and Danish members spoke against rejection. All main political groups had declared their intention to support the move.

The Council of Ministers has rejected the Parliament's demands that it add 1.3 billion ECUs to the budget total to meet a predicted shortfall in revenues for farm subsidies. The council, representing the national governments, has said it cannot do this because the group's existing revenue base is exhausted and the 10 have not agreed when their financial contributions to the community will be increased.

The council's current Irish presidency has said that the council will decide by next October how to fill any cash gap, but members of the Parliament argue that this formula is inadequate and violates the principle that a budget must cover a 12-month period.

The European Parliament last rejected the EC budget in December 1979, finally passing a new version in July 1980.

U.S. Cuts Off Agency Funds Over Abortion

By Don Shannon
Los Angeles Times Service
WASHINGTON — In an important application of its anti-abortion policy, the Reagan administration has told the major international family planning agency that it will lose all U.S. funding on Jan. 1.

Bruce Weerakoon, secretary-general of the International Planned Parenthood Federation, said Wednesday that the loss of \$17 million in federal financing would have "a very damaging effect" on the agency's programs in 119 nations.

The organization, based in London, has received U.S. funds every year since 1966. The \$17 million that it was expecting this year would have been about one-sixth of its \$100-million global budget.

Mr. Weerakoon said that Reagan administration officials "told us they could not give money to any program where abortion occurred in any part of it, even though I explained that we cannot control what a national program does."

"We do not encourage abortion as a method of family planning," he added.

The Agency for International Development, which administers foreign aid programs, issued a statement Wednesday that appeared to offer the federation a chance to qualify for funds if it changed its policy. The statement said that Mr. Weerakoon had told M. Peter McPherson, the AID administrator, that the federation refused to comply with the administration's policy simply to receive U.S. financing.

According to the statement, Mr. McPherson replied that he hoped the group would reconsider. However, he described the administration's policy as firm and carefully

Israelis Detain 50 People in Sweep Of Shiite Villages in South Lebanon

Washington Post Service
JERUSALEM — The Israeli Army mounted on Thursday one of its largest security operations in southern Lebanon to recent months, detaining more than 50 people in a sweep of several Shiite villages in the mountains east of Tyre.

Israeli military officials said that one Lebanese man, whom they described as a "known terrorist," was shot and killed while trying to escape. They said that at least two, and possibly as many as six, Lebanese were wounded as a result of the operation.

The officials said the operation, which reportedly included the use of tanks and armored personnel carriers, was carried out as part of an Israeli policy "to prevent and frustrate attacks on our forces in Lebanon."

The Israeli account differed, however, from that of Timor Geksel, the spokesman at the southern Lebanon headquarters of the United Nations, at Naqura. Mr. Geksel said that UN forces discovered three dead and 11 wounded after the Israeli sweep through the area. The action began at about 5 A.M. Thursday.

He said the dead included a man in Bourj Rahal, and a woman and a 14-year-old girl in Touna.

Mr. Geksel said the wounded were found in Touna and in Maraka, two of the seven villages that Israeli soldiers surrounded and later searched.



Defense Minister Yitzhak Rabin of Israel, right, spoke with Richard W. Murphy, assistant U.S. secretary of state, and the U.S. ambassador to Israel, Samuel W. Lewis, in Tel Aviv Thursday before discussing moves toward an Israeli withdrawal from south Lebanon.

Israelis Detain 50 People in Sweep Of Shiite Villages in South Lebanon

He said the circumstances surrounding the deaths of the woman and the girl had not been determined. Israeli military officials denied that their deaths and the reported additional number of wounded were caused by the Israeli sweep. They refused to characterize the size of the operation, but Mr. Geksel said it was one of the largest to be conducted recently in the area.

Israel Radio, meanwhile, reported that during the searches of the villages Israeli soldiers were surrounded by crowds of people, mostly women, who attacked them with metal pipes and knives. The radio said the soldiers fired their weapons in the air to escape.

The Israeli Army action came on the same day that the 10th session in the Israeli-Lebanese military talks was scheduled to take place at the UN headquarters in Naqura. Mr. Geksel said the meeting was canceled because of poor weather that prevented UN helicopters from bringing the Lebanese military delegation to southern Lebanon from Beirut.

He said the next meeting was set for Monday.

Nahli Berri, who represents southern Lebanon in the Lebanese cabinet, described the Israeli security sweep as a "massacre." He said there were "scores of detainees and the occupation forces used dozens of tanks and armored vehicles in this mad campaign."

Mr. Berri called for a general strike throughout the south on Saturday.

Pentagon Is Said To Offer Freeze On Military Pay

By David Hoffman
and George Wilson
Washington Post Service
WASHINGTON — Defense Secretary Caspar W. Weinberger has proposed that 2.1 million Americans in uniform be given a special early pay raise in July 1985, and then military pay would be frozen in 1986, as the Pentagon's contribution toward reducing the budget deficit, Reagan administration officials said Thursday.

Mr. Weinberger said that news accounts that he had proposed a "freeze" to President Ronald Reagan on military pay in 1986 were "totally false."

"The idea of being unfair to the troops," he said Thursday, "is certainly no proposal of mine or no proposal of the president."

But administration sources who were present when Mr. Weinberger made a presentation in the president's office Wednesday said he proposed that a special, early pay raise be put into effect in July. That would be on top of the 4 percent military pay raise already scheduled to go into effect in January.

Then, under the proposal, military pay would be held steady until 1987, according to the officials.

Mr. Weinberger's suggestion would affect 2.1 million Americans in uniform. Congress has rejected proposals for a military pay freeze in the past. "We tried it once and it was dead the moment it got up there," a White House official said.

Mr. Reagan has already tentatively approved a proposed 5 percent pay cut in 1986 for civilian government workers.

The White House has set a goal of reducing the deficit from more than \$200 billion in the next fiscal year to under \$100 billion by 1988.

Mr. Weinberger has been engaged in a sharp debate with other administration officials over military spending. David A. Stockman, director of the Office of Management and Budget, has proposed

U.S. Promises to Inform Allies on Arms Talks

By John M. Goshko
Washington Post Service
BRUSSELS — Secretary of State George P. Shultz gave the North Atlantic Treaty Organization a detailed description Thursday of U.S. planning for his talks next month with the Soviet foreign minister, Andrei A. Gromyko.

He promised that U.S. allies would be consulted extensively about moves toward arms-control negotiations.

Senior U.S. officials said that Mr. Shultz stressed repeatedly that President Ronald Reagan had not made the major decisions about U.S. strategy for the meeting with Mr. Gromyko in Geneva next month.

According to the officials, Mr. Shultz said at the annual winter meeting of NATO foreign ministers that the talks would deal less with the substance than with the procedures for dealing with the three distinct areas of arms control: strategic nuclear missiles, medium-range nuclear missiles and space weaponry.

European sources described Mr. Shultz as saying that the United States wanted a "frank dialogue" and intended to approach the Geneva talks in a "positive, extremely serious and open-minded manner."

However, according to both European and U.S. officials, Mr. Shultz said that negotiations would be long and difficult. He also said that the difficulty in perceiving Soviet goals and motivations made it impossible to predict whether the negotiations would lead to successful arms-control agreements.

Those parts of Mr. Shultz's hour-long presentation to the NATO ministers that were made public essentially repeated points that the Reagan administration has been stressing since the Nov. 22 announcement of the meeting that is to be held Jan. 7 and 8.

Although Mr. Shultz is known to have revealed some of the negotiating ideas that the administration has under consideration, officials of the 16 NATO member countries refused to make them public.

Instead, they said, there is a general recognition within the alliance that U.S. planning is still in a tentative stage. The emphasis at Thursday's meeting was on reassuring the Europeans of Washington's intention to consult and inform them fully.

The West Europeans are especially worried about the negotiations aimed at reducing medium-range missiles. The 1979 NATO decision to deploy 572 U.S.-produced cruise and Pershing-2 missiles in Western Europe caused great controversy.

'Normal' Cholesterol Level Called Dangerous

By Jane E. Brody
New York Times Service
NEW YORK — In the most far-reaching public health recommendation yet made on cholesterol and heart disease, a panel has advised dietary and other treatment for many people whose cholesterol levels have until now been considered "normal" by many American physicians.

The panel said Wednesday that average cholesterol levels among Americans were too high and contributed to the fact that half the population died of heart disease.

In the panel's report, released by the National Institutes of Health, elevated blood cholesterol was cited for the first time as a direct cause of heart disease, not just an associated "risk factor."

The experts set as a desirable cholesterol goal a blood level of less than 180 milligrams (0.063 ounces) for adults in their 20s and less than 200 milligrams for those aged 30 and older. Typical middle-age Americans have cholesterol readings of 220 to 260 milligrams.

The panel urged aggressive treatment for people 30 and older whose cholesterol levels are above 240 milligrams. In addition, the panel said that children with levels above 185 milligrams and people in their 20s with cholesterol levels above 220 milligrams should be treated to lower those levels.

Many physicians now regard these levels as acceptable, primarily because they are commonly found in Americans. However, the panel said that a decrease of as much as 50 percent in heart disease rates could be achieved in these people, whom they describe as at "high risk."

"We realized that doctors are not going to do much about cholesterol until they know what's high," said Dr. Daniel Steinberg of the University of California, San Diego, who was chairman of the panel.

"The same was true with high blood pressure," Dr. Steinberg said. By calling attention to what are now regarded as blood pressure levels that warrant treatment, public health experts succeeded in greatly reducing this hazard among millions of Americans.

The panel, whose members were chosen for their diverse expertise and lack of a prior strong public stand on the cholesterol issue, was convened by the health organizations to try to arrive at a consensus on what, if anything, should be done about cholesterol in the general population.

For two days the panel considered a wide range of evidence and dissenting views from those who believe that changing diet is not necessary before it devised its aggressive recommendations. The panel called for an all-out national campaign to help people put its recommendations into effect.

The panel's report said a vast amount of evidence, from the laboratory and clinic as well as from studies of populations throughout the world, supported a conclusion that cholesterol was a cause of heart disease.

These studies indicate that high blood cholesterol results in an accumulation of fatty deposits in blood vessels, resulting in a narrowing of those vessels and an increased chance that the blood supply to the heart can be cut off, precipitating a heart attack.

The most recent study showed that reducing cholesterol levels in the blood could prevent deaths from heart disease, with every 1 percent reduction in cholesterol lowering the coronary risk by 2 percent.

Dr. Steinberg said that this last study, conducted nationally through the Lipid Research Clinics, represented the "keystone in the arch" to solidify a cause-and-effect link between cholesterol and heart disease.

The panel said that dietary changes should be the first step in reducing blood cholesterol, followed by drug therapy if the strictest dietary measures do not produce the desired result.

Recommended dietary measures include lowering caloric intake, if needed, to achieve and maintain a normal body weight; reducing total fat to 30 percent of daily calories, and reducing saturated fat to less than 10 percent of calories.

This diet is identical with those that the American Heart Association has recommended for more than a decade.

Greek, Turkish Cypriots to Discuss Reunification

By Michael J. Berlin
Washington Post Service
UNITED NATIONS, New York — Javier Perez de Cuellar, the UN secretary-general, says that the Greek and Turkish Cypriot leaders will begin talks next month on reunifying Cyprus.

The announcement Wednesday followed three months of negotiations and several near-breakdowns. It was hailed by Western diplomats as a major breakthrough bringing the two sides closer to reunification. Cyprus has been divided since Turkey invaded the island in 1974.

President Spyros Kyprianou, a Greek Cypriot, and Rauf Denktaş, a Turkish Cypriot leader, made significant concessions on territory and the structure of the federal government, the diplomats said.

UN officials said that equally important was an easing of the deep personal enmity between the two men that prevailed when "proximity talks" between each of them and the secretary-general began in New York in September.

Mr. Perez de Cuellar, a Peruvian diplomat who served as UN mediator on Cyprus before becoming secretary-general in 1982, held three rounds of separate meetings with Mr. Kyprianou and Mr. Denktaş and finally presented them last month with his own formula for the negotiations.

Mr. Denktaş was eager for a meeting that would place him on an equal footing with Mr. Kyprianou, who retains international recognition as the leader of the legitimate Cypriot government. Eventually, diplomats said, both sides budgeted, as did the secretary-general, who settled for fewer specifics than he wanted on how governmental deadlines between the two sides were to be resolved.

That remains the key issue, because the Turkish Cypriot minority demands veto powers to protect itself, but the Greek Cypriots fear the veto could be misused to bring the government to a standstill.

"After prolonged consultations with the two sides in Cyprus," Mr. Perez de Cuellar said in his announcement, "I have reached the conclusion that enough progress has been done to justify convening a high-level meeting on Jan. 17 between the two sides." He called it "a very constructive step forward, leading to the comprehensive solution of the Cypriot problem."

The Kyprianou-Denktaş meeting, he said, would be held in New York or in Europe and would last for two or three days. But he cautioned that while reaching the negotiations stage "is already progress," it is only "the beginning of an achievement; it is not an achievement so far."

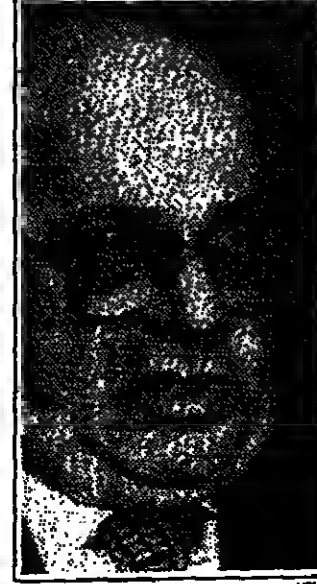
Although the secretary-general refused to specify what had been agreed upon in the negotiations, diplomats said that one of the major concessions was about territory.

The Turkish invasion of 1974 expanded the zone controlled by the Turkish Cypriot community, which constitutes 18 percent of the population, to about 37 percent of the island's land area. Mr. Denktaş initially offered to return seven small enclaves.

Now he has proposed retaining 29 percent of the island, and the Greek Cypriots have modified their demand, offering to leave the Turkish community with 25 percent, a gap the secretary-general feels can be bridged at the talks.

There has been agreement that legislative power would be divided on the American model, with equal representation for each of the two states in the upper house and Greek Cypriot control of the lower house by a seven-to-three margin.

Diplomats said the progress was possible now because of the declaration of independence by Mr. Denktaş in 1983. As a result, the status quo policed by a UN peace force since 1964 began to erode and raised fears in Washington that the dispute would embroil Greece and Turkey and damage NATO.



Rauf Denktaş



Spyros Kyprianou



Treasury Secretary Regan drew quick reaction by suggesting that the Federal Reserve could be under closer administration control. Page 17.

Two South African activists were charged with treason a day after they left refuge in the British Consulate. Page 5.

France's African allies are uneasy about the apparent willingness to compromise with Libya. Page 5.

Extensive shifts in top U.S. embassy posts are seen by State Department sources. Page 6.

OPINION

The problem of famine in Africa can be solved, says Jean Mayer, the nutritionist. Page 11.

BUSINESS/FINANCE

About 120 U.S. companies have agreed to press for changes in South Africa, including repeal of apartheid laws. Page 17.

Soviet Defense Minister Is Said to Have Cancer, Leaving Leadership Gap

By Robert Gillette
Los Angeles Times Service

MOSCOW — Dmitri F. Ustinov, the Soviet defense minister, has cancer and is not expected to resume his duties, according to Soviet sources.

Western diplomats said the departure of Marshal Ustinov, 76, would leave a major gap in the 12-member ruling Politburo and affect the politics of the succession to President Konstantin U. Chernenko.

The defense minister has been absent from public view since Sept. 27, when he presented the Order of Lenin to Mr. Chernenko in a televised Kremlin ceremony.

Marshal Ustinov's name, however, has continued to appear on official statements published in the Soviet press, indicating that he is still at least nominally minister of defense.

The sources, who have proved reliable in the past, said the marshal had undergone surgery for a malignancy in his lower intestine and was not expected to return to work. They discounted as inaccurate earlier reports in the Western press that he had suffered a stroke.

Soviet officials have either refused to comment on Marshal Ustinov's absence or have said that he was suffering from a "cold," the same explanation offered during President Yuri V. Andropov's five-month absence before his death in February from kidney failure.

Marshal Ustinov is a member of the four-member inner circle of the Politburo, along with Mr. Chernenko, 73; Foreign Minister Andrei A. Gromyko, 75; and Prime Minister Nikolai A. Tikhonov, 79.

With the armed forces behind him, Marshal Ustinov is believed to have played a decisive role in the choice of Mr. Andropov to succeed President Leonid I. Brezhnev in the fall of 1982, and again in Mr. Cher-

nenko's rise to power when Mr. Andropov died.

Because of his power and personal prestige, Marshal Ustinov's death would most likely diminish the army's voice in the next succession.

"The leadership right now is in stable equilibrium, like a three-legged stool," a Western diplomat said. "Remove one of the legs, and they have to face some questions they would rather not confront."

The marshal's influence stems not just from his position as defense minister and a full Politburo member, posts he has held since 1976, but from his personal role in building the Soviet military machine over the last 40 years.

Marshal Ustinov was first appointed commissar of the armaments industry by Stalin in 1941 and except for a two-year period under Nikita S. Khrushchev, has held major responsibility for the Soviet military buildup ever since. "Virtually anyone who might replace him would be a pygmy by comparison," a Western diplomat said.



Gary Kasparov, left, winning a game against Anatoli Karpov.

Kasparov Wins First Game From Karpov

The Associated Press

MOSCOW — Gary Kasparov scored his first victory in the World Chess Championship on Thursday when the titlist, Anatoli Karpov, resigned the adjourned 32d game without resuming play.

The game was adjourned Wednesday after 40 moves, with Mr. Kasparov holding a pawn advantage. Chess officials said Mr. Karpov telephoned his decision to concede the game to his 21-year-old challenger.

Mr. Kasparov's victory makes the score 5-1 against him in the three-month match. The first player to achieve six victories wins. The contestants have played 26 draws, which do not count in scoring. Until Wednesday, Mr. Kasparov had been unable to crack the 33-year-old Mr. Karpov's defenses.

The organizers of the match scheduled the next game for Monday. Tass said the organizers of the match "called a technical time out."

Inspection Shows Deficiencies in 16 U.S. Airlines

By Richard Wirkin
New York Times Service

WASHINGTON — Sixteen of the nation's 327 airlines had their operations suspended or curtailed or withdrew some pilots from service as a result of an intensive national inspection by the Federal Aviation Administration last spring, according to the agency's final report on the program.

The release of the document Wednesday came amid increasing criticism from government and congressional air safety experts over the surveillance of airline operations by the aviation agency.

Several surprises came to light in the report. One was that three airlines, People Express, Alaska Airlines and Markair, voluntarily pulled pilots from service for various periods as a result of the national inspection.

Dennis Feldman, a spokesman for the aviation agency, said that People Express had taken its action, affecting 55 pilots, because the airline "couldn't produce records to show that the pilots were current" in the planes they were flying. In other words, the airline had no documentation that the pilots had passed the required six-month proficiency checks by management policy.

Mr. Feldman said that Alaska Airlines, where 90 pilots were involved, had inadequate records on proficiency checks and on training of both pilots and cabin attendants in evacuation procedures. Markair suspended 27 pilots, according to the report.

[Some of the problems among

the 29 types of deficiencies found by the inspectors. The Washington Post reported, were that some airlines loaded and balanced planes unevenly, making them unstable in flight; some flight crews did not record mechanical difficulties in their logbooks, meaning that a subsequent crew was unaware of them and that mechanics did not know they needed fixing.

Some crews were unfamiliar with the "Minimum Equipment List," an FAA compilation of all gadgets that must work properly before a flight is legal, and some mechanics were not properly trained to inspect planes for possible defects, the report said.

Concern about airline safety mounted last week with the conjunction of several events: the crash in Florida of a commuter

airline plane that had been grounded for two weeks last month; the grounding of another commuter airline last weekend, and the opening by the National Transportation Safety Board of consideration of its final report on the crash of another commuter airline, Air Illinois, which suspended its services after a crash that killed 10 people a year ago.

Elizabeth Hanford Dole, the U.S. transportation secretary, said that steps were being taken to bolster surveillance of the industry in the new era of government deregulation. But she sought to reassure the public by citing figures in the report showing that less than one-half of 1 percent of the items or systems examined in the inspection had been found deficient.

Mrs. Dole's department is the

parent agency of the FAA, and it was she who ordered the inspection. The National Transportation Safety Board is an independent body created by Congress to oversee transportation safety matters.

Vice Admiral Donald D. Engen, the retired navy pilot who heads the aviation agency, disagreed with assertions by critics that his organization did not have enough airline inspectors. He did acknowledge, in an interview, that the quality and methods of surveillance could and would be improved in line with lessons learned as a result of the inspection program.

Except for People Express and Alaska Airlines, the carriers that had difficulties in the inspection were minuscule compared with the major airlines that carry most of the traveling public.

East Germany Shifts Political Priority

(Continued from Page 1)

Honecker regime will avoid major initiatives in its relations with Bonn.

A six-month pause would cover not only the first stage of the new Soviet-American negotiations but also the 40th anniversary of the capitulation of the Nazi regime.

In 1945, the Soviet Union and the Western Allies were unable to agree on how to celebrate their victory, and there are no indications that they will find it any easier this time. This leaves the Germans, especially the East Germans, in a delicate situation.

A summit meeting of Western industrial nations is scheduled to take place in Bonn shortly before the anniversary and there has been speculation in the West German press that President Ronald Reagan might stay on afterward for a short state visit to West Germany, including perhaps even West Berlin. The East Germans would be expected to avoid any contact with Bonn during such a period.

Mr. Modrow indicated that he and his colleagues felt that domestic political developments in West Germany were creating new obstacles for understanding between the two Germans.

He said Mr. Kohl's Christian Democrats are moving steadily to the right, partly because the Free Democrats in the government coalition have ceased to be a valid partner for them.

"At the same time we read in the papers that the Social Democrats are doing nothing and that the Greens are absorbed in their own quarrels," he said, adding "there is a dialectic in all this and it is not good."

The Honecker regime even more than the other East European governments is relieved at the prospect of resumed Soviet-American talks, according to Western diplomats in Berlin.

As these specialists see it, Mr. Honecker took a great political risk when he accepted the role of prime

mover for closer ties between East and West Germany at a time when tensions between the United States and the Soviet Union were at their peak because of the stationing of Pershing-2 missiles in Western Europe.

At that time he held that each of the two Germans should urge its respective superpower ally to resume negotiations. He was severely criticized by Moscow, which made it more than clear to all East European countries that it intended to conduct the East bloc's policy toward the West without interference from them.

With Soviet-American talks once more scheduled, Mr. Honecker is only too glad to pull back and accept the Soviet lead, a Western specialist said.

"The 'separate German track' has come to an end at least for the time being," he said.

But he added that West Germany retained such crucial political and economic importance for the East Germans that they would refrain from creating new tensions between the two Germans even though they might cut down on contacts.

Mr. Modrow rejected the idea that East German foreign policy was entering a "waiting period."

"We will be very active in seeking to broaden our contacts with all Western countries," he said. "We are seeking peaceful coexistence with all countries, not only West Germany."

Mr. Honecker, during a visit to East Berlin this week of Foreign Minister Leo Tindemans of Belgium, stressed the same desire for closer relations with the West.

The East Germans hope for an early visit of the new French foreign minister, Roland Dumas. And there is talk of a Honecker visit to Italy in return for Prime Minister Bettino Craxi's visit to East Berlin earlier this year.

East Germany has lagged behind Hungary and other East European countries in developing its relations with individual Western nations.

East German officials have come to the conclusion that the time has come to try to catch up on this score, judging from Mr. Modrow's remarks and Mr. Honecker's public statements.

Walesa Urges Reforms on Martial Law Anniversary

Reuters

WARSAW — Lech Walesa, leader of the banned Solidarity union, said Thursday he feared that Poland would fall into permanent crisis and become a "country of the fifth world" unless the Communist authorities made fundamental reforms.

In a message released on the third anniversary of the imposition of martial law, which suppressed Solidarity, Mr. Walesa also called on the movement's activists to launch a new campaign for trade union pluralism.

"The last three years," Mr. Walesa said, "have left no doubt about the complete bankruptcy of those who imagined that it was possible to make changes in Poland without society's help or to introduce some kind of absolutist rule."

"As long as the same situation exists in our public life that came into being on Dec. 13, 1981," he said, "those who do not want reforms will always hold sway in public life."

"The result will be a poor Poland, cut off from the world, plunged into permanent crisis, Poland as a country of the 'fifth world,' without any advantages of modern civilization but with all its disadvantages."

Poland's Communist Party newspaper marked the martial law anniversary with a vow to continue fighting political opponents as well as pursuing domestic reforms.

"No one with an objective view can doubt that Poland is on the road of socialist reforms," the daily Trybuna Ludu said, "and that there is no alternative to the policy of national accord and the fight against those who destroy our state."

Pay Freeze Suggested

(Continued from Page 1)

tion of the MX missile, administration sources said.

After Wednesday's meeting, a White House deputy press secretary, Robert Sims, said, "The president's going to fight for more MX missiles. He knows we have an uphill battle on our hands and will be involved personally."

The sources said that Mr. Reagan, in a private 30-minute meeting with Mr. Goldwater, insisted that the missile is a vital bargaining chip in arms control negotiations scheduled to resume next month with the Soviet Union.

"If we're going to get any concessions from the Russians, we've got to bargain from a position of strength," an official said that Mr. Reagan told Mr. Goldwater, "and the MX is essential to getting them to take our proposals seriously."

Mr. Goldwater, Republican of Arizona, wrote to Mr. Reagan on Dec. 3, saying, "We do not have the votes in the Senate or the House to pass the MX in the coming vote."

He urged Mr. Reagan to limit his support to urging that about \$1.5 billion be spent to produce 21 previously authorized MX missiles when the issue comes before Congress in late March or early April.

Mr. Goldwater asked the president to "lay off any formal request" for more money, apparently a reference to the \$2.7 billion for 48 MX missiles sought by the Defense Department in the fiscal 1986 budget.

Twenty-one of the missiles are in production and scheduled for deployment in 1986, and another 21 are awaiting the outcome of the spring vote in Congress. Of the remaining 58, 48 are proposed by the Defense Department in the 1986 budget.

U.S. Cuts Off Agency Funds

(Continued from Page 1)

considered and said that future funding for the group "depended upon full compliance with the policy."

The Reagan administration outlined its opposition to abortion at the International Conference on Population last summer in Mexico City. A final declaration on population programs, adopted at the conference by consensus, included the statement that abortion "in no case should be promoted as a method of family planning."

But it also said that population planning, "whenever possible, should provide for the humane treatment and counseling of women who have had recourse to abortion."

Mr. Weerakoon said that he would visit members of Congress on Thursday in an attempt to get the AID decision reversed before the federation's grant expires Dec. 31.

Representatives of other family planning groups said that they were outraged by news of the cutoff.

WORLD BRIEFS

Marcos Orders Curbs to Get IMF Loan

MANILA (UPI) — President Ferdinand E. Marcos ordered Thursday strict compliance with government spending targets in a last-minute move to win approval of a \$630-million loan from the International Monetary Fund. The fund was expected to consider the Philippine request Friday at its headquarters in Washington.

But Philippine news reports said that final approval may be put off until January because Japanese bankers have refused to commit themselves to making new loans to the heavily indebted Marcos government.

A statement from the presidential palace said that Mr. Marcos ordered his aides to comply with a plan to cut costs and improve tax collection to reduce a projected 1984 budget deficit of 8.2 billion pesos (\$410 million). The directive was designed to "strengthen the country's bid" for the IMF loan, the statement said.

Students Protest at Beijing University

BEIJING (Reuters) — Beijing University students staged a week of illegal protest against poor living and working conditions, the third known case of campus unrest in China in recent months, students said Thursday.

Several hundred students defied a campus broadcast banning open protest and marched on the university president's home Monday to complain about a new rule that dormitory lights should be switched off at 11 P.M., they said. Students also demanded higher prices for poor canteen food and the slow pace of educational reforms.

Two weeks ago more than 1,000 undergraduates at the University of Xiamen held a rally against a decision to spend 100,000 yuan (about \$40,000) on beautifying the campus when the library was short of books. The students said. In June, Nanjing University students marched on the city government to demand the removal of the Communist Party secretary, whom they blamed for a decline in the status of the college.

Sri Lanka Rebuts Gandhi's Charges

COLOMBO, Sri Lanka (UPI) — Sri Lanka rebutted on Thursday charges by Prime Minister Rajiv Gandhi of India that its security forces have harassed Indian fishermen and killed civilians in a campaign against Tamil separatist rebels.

The Foreign Ministry said the allegations leveled earlier this week only encouraged the rebels. Sri Lanka has repeatedly asserted that India has encouraged the rebels to operate from bases in southern India. The sharp exchange further damaged Indian-Sri Lankan relations, which have been deteriorating rapidly since a series of raids this month by Tamil rebels. The Tamils are seeking to establish an independent state in northern Sri Lanka.

The ministry did not deny that some civilians have been killed in the government security crackdown that followed the recent guerrilla attacks. But, in a statement, it asserted that the Tamil rebels deliberately engaged security forces in heavily populated areas to ensure high civilian casualties.

Schroeder Gets Disability Benefits

LOUISVILLE, Kentucky (AP)

— The Social Security Administration on Thursday awarded disability benefits to William J. Schroeder, the artificial heart recipient, a day after Mr. Schroeder complained to President Ronald Reagan about foot-dragging by the bureaucracy.

James Brown, a spokesman for Social Security at its Baltimore headquarters, said that the agency had determined that Mr. Schroeder's federal pension from working in a government arsenal did not require a deduction in his disability benefits.

Two Social Security officials delivered a check to Mr. Schroeder in his hospital room, and one told him the president "took a great deal of interest in your case."

The president called Mr. Schroeder Tuesday to wish him well in his

recovery, and the heart patient complained that he was "getting a runaround" in his bid to receive disability aid.

U.K. Miners Back New Peace Initiative

SHEFFIELD, England (AP) — Leaders of Britain's striking coal miners announced backing Thursday for a new peace initiative, while Arthur Scargill, the mine union leader, appeared in court on charges of obstructing police on a picket line.

The Trades Union Congress, Britain's 10-million member national labor federation, announced Wednesday that it would meet this week with Energy Secretary Peter Walker in a new attempt to end the nine-month strike. After a meeting of the National Union of Mineworkers executive council, Mick McGahey, the union's vice president, said that the union endorses the TUC peace bid.

U.S. Won't Extradite IRA Member

NEW YORK (AP) — A U.S. district judge refused a British request Thursday to extradite an Irish Republican Army member who was convicted of murdering a British soldier, ruling the slaying was a "political" act exempt from the U.S.-British extradition treaty.

The decision, made by Judge John E. Sprizzo, allows John Patrick Thomas Doherty to remain in the United States.

Mr. Doherty admitted that he was among a group of IRA members who fought a gun battle with British troops in Belfast in May 1980 that left a soldier dead. He was captured but escaped from prison and made his way to the United States.

Chinese Aide Found Hanged in N.Y.

NEW YORK (AP) — A Chinese textile official on a brief visit to the United States was found hanging on the roof of the Chinese Consulate after reportedly deciding to defect and then changing his mind, officials said.

The body of Zhang Xin, 49, was found hanging from a cable Wednesday morning on the roof of the 20-story building on the city's West Side, according to a police spokesman. He said the cause of death was under investigation, although it appeared to be a suicide.

Mr. Zhang had been scheduled to meet with the Federal Bureau of Investigation less than four hours after his body was found, the spokesman said. Police sources said Mr. Zhang had met Sunday with immigration officials at Kennedy International Airport shortly before he was to leave with other Textile Ministry officials for Guyana. He did not leave with the others and on Monday visited the Manhattan office of the Immigration and Naturalization Service, where he reportedly turned over his passport to immigration officials.

According to the police, Mr. Zhang went back to the consulate early Tuesday and asked to return to China. He arrived in the United States on Dec. 5 through San Francisco with six other Textile Ministry officials.

Israel Detains 50 in Lebanon

(Continued from Page 1)

urday and called on all international institutions to help end Israel's actions.

Many of the mountain villages east of Tyre that were surrounded and searched Thursday have been centers of Moslem Shiite fundamentalism and of resistance to the Israeli occupation. Some Israeli officials have publicly warned that the rise of Moslem activism in the area could eventually confront Israel with a "religious war" in the territory it now occupies.

Israel May Review Options

Israel is becoming convinced that its withdrawal talks with the Lebanese government are a waste of time, and it is now considering a redeployment of Israeli troops in southern Lebanon, Israeli political sources said Thursday, according to a New York Times report from Jerusalem.

The sources spoke after a meeting Thursday afternoon between Richard W. Murphy, the U.S. assistant secretary of state for Near Eastern and South Asian affairs, and Israeli's top military and Foreign Ministry officials involved with Lebanon, including Defense Minister Yitzhak Rabin.

One source said that Mr. Murphy brought back a "big zero" from his visits of the last few days to Beirut and Damascus. The Syrians indicated they were holding firm to their position that Israel withdraw unconditionally and without any special security arrangements beyond those that might be provided by the Lebanese Army.

"The Syrians are trying to play a little brinkmanship and it is not going to work," one Israeli official said. "We have not reached the end of the road yet, but the chances of the talks producing anything is becoming slimmer and slimmer. If we have not made any progress by the time the talks recess for Christmas, then we will have to review our options."

The official said the Syrians had told Mr. Murphy that they considered the two key Israeli demands as "political gains" from the Israeli invasion of June 1982 that cannot be allowed. The demands are that UN troops be deployed over most of the area from which the Israeli forces withdrew and that the Israeli-backed South Lebanon Army militia continue operating just north of the Israeli border.

As a result, the Lebanese delegation to the withdrawal talks has consistently rejected the two demands, which the Israelis see as the minimum requirements for a withdrawal.

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EC Deputies Reject Budget

(Continued from Page 1)
report released Thursday, recommended strong countermeasures to increase U.S. agricultural exports.

"At a time when the United States is committing billions of dollars in military assistance to its European allies, the EEC, through its farm policy, has contributed to political and economic instability in Central America and throughout the region," the report said.

It gave as an example Common Market subsidies on sugar production and exports that it said had a devastating impact on Latin America and the Caribbean, forcing sugar prices down to below production costs and causing a loss to Caribbean countries of \$3.7 billion in foreign exchange earnings over the past three years.

The task force said the community's practice of subsidizing agricultural exports had accounted for a 13-percent drop in U.S. farm exports from 1981 to 1983.

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U.S. Worried by American Veterans in Nicaragua

By Philip Taubman
New York Times Service

WASHINGTON — There is mounting concern at the State Department and the Central Intelligence Agency about the involvement of private U.S. citizens in Nicaraguan rebel operations, according to Reagan administration officials.

The officials said Wednesday that an Alabama-based group of veterans, called Civilian Military Assistance, had recently intensified its efforts to aid the rebels and currently has six to 10 men inside Nicaragua.

Although President Ronald Reagan has expressed sympathy for private U.S. efforts to aid the rebels, the officials said there was concern that the veterans might provoke a crisis between Washington and Managua by carrying out raids in Nicaragua.

"The CIA doesn't control these guys and can't really keep track of them," a senior national security official said, "so they're a wild card that could cause everyone serious problems."

The leader of Civilian Military Assistance, Thomas V. Posey of Decatur, Alabama, said in a telephone interview Wednesday that the Americans were training and assisting rebel forces at base camps in Nicaragua but would not participate in combat operations.

Other members of the group, however, have outlined plans for military operations, according to a series of articles in a Memphis newspaper. The Memphis Commercial Appeal reported last week that a band of private citizens, including several combat veterans from Tennessee, traveled to Honduras recently to prepare for operations in Nicaragua sometime early next year.

The newspaper quoted the leader of the team as saying that he expected 30 American volunteers to join about 70 rebels in attacks on military targets in Nicaragua.

The paper reported that some of the Americans arrived at a rebel training base in Honduras without passports or personal identification papers and immediately were given rifles and ammunition and began building a barracks. Two members of the group were killed in September, when their helicopter was shot down over Nicaragua in a rebel air raid.

[The U.S. volunteers are being sent home because the Memphis newspaper revealed the site of a rebel base in Honduras, Mr. Posey, the group's leader, said Thursday. The Associated Press reported from Birmingham, Alabama, "Since The Commercial Appeal gave the location, it would be safer to pull them out for now," Mr. Posey said. He would not reveal how many volunteers were in the group.]

United States has diplomatic relations with.

Congress, as part of a budget compromise, approved \$14 million for the rebels in the current fiscal year, but stipulated that none of the money be given to the insurgents until it renewed approval after March 1, 1985.

Foreign Minister Yitzhak Shamir of Israel denied Wednesday his country is secretly selling weapons to U.S.-backed Nicaraguan rebels, as has been alleged. Ending an official visit to Panama, Mr. Shamir said that although Israel has sold arms to Central American countries, "we do not sell arms to coun-

tries involved in bellicose conflicts" and "neither do we sell arms to the Contras nor to any group of this type."

Nicaragua and the United States made little headway toward resolving their points of conflict this week in their ninth round of talks. State Department officials said Wednesday. They said the U.S. special envoy, Harry W. Shlaudeman, and Victor Hugo Tinoco, deputy foreign minister of the Sandinista government, met Monday and Tuesday in the Mexican resort of Manzanillo but made no significant progress.

President-elect Daniel Ortega Saavedra said in Managua on Wednesday that military spending would be the priority item in the 1985 Nicaraguan budget. He called the current economic situation "serious" and said it "had worsened" because of the cost of sustaining the war against "the aggression of the American administration, enemy of Nicaragua."

A Nicaraguan Indian leader, Brooklyn Rivera, rejected Wednesday the Managua government's latest proposals for limited autonomy status for the Miskito, Sumo and Rama tribes, which have been in conflict with the Nicaraguan authorities for the past three years. Mr. Rivera, in a statement in San José, Costa Rica, said his Misurata organization favored continued dialogue with the government.

(UPI)

(UPI)

(LAT)

(AFP)



Milton Mendez, a rebel commander, confers with Archbishop Arturo Rivera y Damas in the hills of San Vicente, where the rebels recently released captured government soldiers. The archbishop has been active in negotiating a holiday truce with the rebels.

2 Holiday Truces Accepted in Salvador

Los Angeles Times Service

SAN SALVADOR — The government of El Salvador has formally agreed to brief truces over the Christmas and New Year holidays.

On Tuesday, the rebels called for two 72-hour cease-fires, one to begin Dec. 24 and end at midnight Dec. 26, and the other from Dec. 31 until midnight Jan. 2. During peace talks with the insurgents last month in Ayagualo,

the government had asked for a longer truce, but an official spokesman said Wednesday that there would be no attempt to seek an extension.

"We accept the truce with pleasure," said Oscar Reyes, a spokesman for President José Napoleón Duarte. "Obviously, the other side has already rejected a longer truce. We cannot unilaterally extend the time period."

Representatives of the country's armed forces have not commented on the guerrilla truce offer. Colonel Ricardo Cienfuegos, the army spokesman, said that military officials had yet to discuss the proposal.

At Ayagualo, both sides agreed to permit civilians to travel unmolested on the country's roads from Dec. 22 to Jan. 3. That accord still holds.

Time Asserts It Could Print Retraction of Sharon Story

Washington Post Service

NEW YORK — Time magazine said in a statement that it will print a correction or retraction of the 1983 article that prompted Ariel Sharon's lawsuit if secret Israeli documents sought by Time do not support key details in the article.

Stuart Gold, a lawyer for the magazine, said Wednesday that Time nonetheless will fight Mr. Sharon's libel charge on the ground that the article was "substantially true," did not defame him and was not motivated by "actual malice."

The dispute centers on whether Mr. Sharon had discussed with Phalangist leaders in Lebanon the need for "revenge" in the killing of President-elect Bashir Gemayel in September 1982. Shortly after the assassination, Phalangist militiamen massacred hundreds of Palestinians in two camps.

Time's statement was attached

to a letter that Judge Abraham D. Sofaer of U.S. District Court sent to Israeli officials Wednesday about the documents.

[In the letter, the judge rejected a proposal that an Israeli jurist tell the court the contents of secret documents. The Associated Press reported.

[The magazine has sought to examine a secret appendix to a report by a commission headed by Yitzhak Kahan, former president of Israel's Supreme Court, that studied the massacre.]

[Israel's Ministry of Justice agreed to let Mr. Kahan examine the documents and report back to the court.]

[But the judge said that he had written to the ministry, saying he could not accept the proposal because it permitted no access to the documents by attorneys.]

CBS Document On Westmoreland Program Barred

The Associated Press

NEW YORK — Lawyers for retired General William C. Westmoreland cannot use most of an internal CBS report as evidence that the network libeled the former Vietnam commander in a 1982 documentary, a judge has ruled.

Judge Pierre N. Leval of U.S. District Court in Manhattan ruled Thursday that much of the report by Barton Benjamin, a CBS News executive, is not relevant to the issues in General Westmoreland's case. He is suing the network for \$120 million over the CBS program "The Uncounted Enemy: A Vietnam Deception."

The Benjamin report found several violations of CBS News guidelines involving fairness in the program, but the network maintains that the broadcast was accurate.

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Iran Defends Handling of Hijacking, Indicates 4 Will Not Be Extradited

The Associated Press
NICOSIA — Prime Minister Mir Hussein Moussavi of Iran has indicated that Tehran will not extradite the four men who hijacked a Kuwaiti airliner and killed two Americans.

The Iranian news agency IRNA, monitored in Cyprus on Wednesday, quoted Mr. Moussavi as saying that Iran owed no one an explanation for its actions. "We are an independent country and we act according to the laws and our beliefs," he said.

However, Mr. Moussavi defended Iran's decision to wait until Sunday, the sixth day of the hijack incident, to storm the plane. He was quoted as saying that the decision probably saved the lives of some hostages.

The White House spokesman, Larry Speakes, has said that President Ronald Reagan was outraged by Iran's behavior and demanded that Iran extradite or prosecute the hijackers. The United States accused Iran of encouraging "extreme behavior" by the hijackers and said that effective action by the Iranian authorities could have prevented the slayings of Charles F.

Hegna and William L. Stanford. However, Mr. Moussavi said that "the aggressive policies" of the United States caused the deaths of the Americans. The prime minister, citing comments by the British pilot, the crew and passengers, said that Iran's handling of the incident "was the best of all possible ways."

"If Iran had not acted in a logical way but in a gangster-Mafia fashion, probably other passengers would have been killed," he was quoted as saying.

"The Americans still think that feudalism rules the world and therefore demand that Iran explain its handling of the hijacking affair," Mr. Moussavi said, according to the news agency. "Iran explains nothing to anyone but God."

In Paris, a former Iranian president, Abolhassan Bani-Sadr, said he had evidence of Iranian complicity in the hijacking. "Two of the men who hijacked the Kuwaiti airliner were the same men who hijacked the Air France plane in August," Mr. Bani-Sadr told CBS News. He did not elaborate.

The hijackers of the Air France plane surrendered in Tehran after blowing up the cockpit. CBS said

that U.S. officials do not know what happened to those hijackers afterward and quoted unidentified Reagan administration officials as saying no hard evidence linked the two incidents.

CBS quoted U.S. sources as saying that intercepted radio transmissions between the hijacked Kuwait Airways plane and the Tehran control tower supported charges of Iranian complicity.

Iran accuses dissidents living in France of instigating a series of hijackings of Iranian airliners earlier this year.

Referring to the dissidents, IRNA quoted Mr. Moussavi as saying: "If handing over the hijackers was lawful, they should hand over the terrorists who have martyred hundreds inside Iran and who are now continuing their activities with the support of the Americans and the French. Then we shall hand over the Kuwait Airbus hijackers to them."

U.S. Embassy Holds Service
Earlier, Charles P. Wallace of the Los Angeles Times reported from Kuwait:

After a reading from the Koran, the flag at the U.S. Embassy was lowered to half staff Wednesday in a simple memorial service for those who died in Kuwait in an attack a year ago.

As Ambassador Anthony C.E. Quinson noted to the gathered embassy staff, the memorial ceremony was nearly overtaken by another fatal confrontation with Arab terrorism, the hijacking of the Kuwait Airways jet. The hijackers demanded the release of 17 persons jailed in Kuwait in connection with a series of bombings in the Gulf sheikhdom.

On Dec. 12, 1983, suicide attackers drove truck bombs into the U.S. and French embassies, as well as major Kuwaiti facilities. Three local employees of the U.S. Embassy were killed.

"The attack affected all of those who worked here," Mr. Quinson said. "It has affected the way in which we live and work in this compound today."

U.S. Aids Guatemalan Project

United Press International
GUATEMALA CITY — The U.S. Agency for International Development will provide \$1 million for Guatemala's "model villages" program, a project to resettle 40,000 Indians that has drawn sharp criticism from the Roman Catholic Church and human rights groups.

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French Envoy Says Talks To Start on Caledonia

The Associated Press

NOUMEA, New Caledonia — The French special envoy said Thursday that three days of talks on the territory's future would begin this weekend. But a top anti-independence leader said he would not take part in the negotiations.

The special envoy, Edgard Pisani, said he would begin detailed talks Saturday with all sides on New Caledonia's future.

Mr. Pisani refused to specify what the talks would cover or what his position would be.

The Kanak Socialist National Liberation Front, which claims to represent most of the island's native Kanak people, is demanding independence from France. Independence is opposed by most of the Europeans, Polynesians and Asians who make up 57 percent of New Caledonia's 145,000 people.

Twelve people have been killed in political violence since late November. The French authorities reported calm Thursday. Armored personnel carriers and 100 troops had been sent to reinforce the east coast town of Thio, the French authorities said.

Mr. Pisani said progress had been made on restoring law and order but that perfect calm could not be expected.

"I have never said that the restoration of order would be like in a military camp or a monastery," he said. "But progress has been made."

But Dick Ukeiwe, president of the territorial government elected Nov. 18, said talks could not begin Saturday because law and order had not been restored.

Mr. Ukeiwe complained that the French authorities were not moving to restore full law and order. Large paramilitary units were standing idle while unrest continued, he said.

Mr. Pisani said he would return from Paris on Dec. 23 and present a formula on New Caledonia's future on Jan. 5. He said the plan would be discussed in New Caledonia before he returns to Paris on Feb. 2 to present it to the French government.

He also announced that he had asked Paris for 10 million francs (\$1.05 million) to aid people whose homes were destroyed in the unrest.

A spokesman for the Kanak front said Thursday the reinforcements had been sent to Thio at the front's request to crack down on extremist Europeans. The front wanted the authorities to restore order across the island, he said.



U.S. legal teams have been visiting residents of Bhopal, India, who wish to file compensation claims against Union Carbide Corp. following the poison gas leak that killed 2,000 people.

Even Hospital Patients Flee Bhopal

By Sanjoy Hazarika
New York Times Service

BHOPAL, India — The emergency room at the Hamidia hospital was locked Thursday evening, and admissions were down to a trickle as scores of patients deserted the hospital and joined a swelling exodus of fearful residents out of the city.

The exodus began Wednesday hours after an official announced that detoxification of the poisonous methyl isocyanate at the U.S.-owned Union Carbide Corp. chemical plant here would begin Sunday.

No headcount was possible but informed estimates said that at least 100,000 of the city's 900,000 people had left within a 24-hour period, joining another 100,000 who fled immediately after the leak took place Dec. 2.

The hospital corridors, which last week were blocked by thousands of gasping victims, were free from patients Thursday.

A doctor in a women's ward reported that 20 patients of about 50 had left the ward Thursday at their own request. He added, however, that seriously ill patients were not allowed to be moved from the hospital.

But N.R. Bhandari, the hospital superintendent, said that many were leaving against medical advice.

"There is nothing we can do about such cases," Dr. Bhandari said, "especially if they are not seriously ill."

The government-run Hamidia hospital has been the focus of a desperate medical struggle to save thousands of lives since the poisonous chemical leaked from the Union Carbide plant last week. He

and other health officials said that the hospital was providing a seven-day dose of free medicines to patients who were leaving.

Senior health officials announced, meanwhile, that doctors would not be allowed to go on leave or take vacations until the detoxification process was complete. That is likely to take at least four days.

Doctors at the Hamidia hospital said, however, that a few doctors and nurses have left their posts.

In one of a series of crises that the hospital has encountered since the chemical leak, junior doctors held a 21-hour work stoppage to protest the alleged assault on a senior physician by a local politician.

They returned to work Wednesday.

According to Dr. Bhandari, a major new problem has developed: All the cooks working at the doctor's hostels have fled in panic. On Thursday, he and other senior doctors sat with the 300 or so junior doctors still at the hospital and promised to feed and look after them.

He told a group of young doctors who visited his office that he has been promised the services of 12 cooks by the police department.

Dr. Bhandari said there were no plans to evacuate the hospital. Referring to the closed emergency room, he said: "We can open it whenever patients come."

Swiss Assembly Approves Joining UN, Clearing Way for National Plebiscite

United Press International

BERN — The upper house of the Swiss Federal Assembly voted Thursday in favor of Switzerland joining the United Nations, clearing the way for a national referendum on the issue.

But government officials said that a plebiscite was unlikely to be arranged before 1986 or 1987 in view of an already heavy voting schedule next year. Opinion polls show a majority of Swiss opposed to membership in the world organization.

The vote in the 46-member Council of States was 24-16, with six members absent. It followed a similar vote in March in the 200-member National Council, the lower house.

For several years, the Federal Council, the seven-member govern-

ing cabinet, has tried to promote the idea of UN membership. It argues that Switzerland can no longer afford politically to remain outside the world's only universal organization dedicated to peace.

Conservative parties and other right-of-center groupings oppose membership because it would dilute Switzerland's traditional policy of armed neutrality.

Officials acknowledge that public opinion still leans against membership. The government wants to choose the best time for the vote.

Joining the UN would be a constitutional issue and therefore require approval by a majority of both the popular vote and the 26 cantons, or states.

The only other major nonmembers are North Korea and South Korea.

U.S. Delays Hampered UNESCO, Panel Says

By Joanne Ormang
Washington Post Service

WASHINGTON — A citizens' group established by Congress to monitor developments at the United Nations Educational, Scientific and Cultural Organization has found that the seven-month U.S. delay in spelling out changes it wants in UNESCO "greatly hampered" the organization's effort to reform itself.

In a confidential report Nov. 27 to Secretary of State George P. Shultz, a panel of the U.S. National Commission for UNESCO also found that major reforms have begun. It cited "a clear gap between the U.S. position and the position of the vast majority of U.S. allies" on the Reagan administration plan to withdraw from UNESCO by Dec. 31.

President Ronald Reagan is expected to confirm the withdrawal formally within the next few days, ending 38 years of U.S. membership in the organization.

The commission of 90 private citizens and nongovernmental organizations acts as liaison among the U.S. government, UNESCO and American citizens and has opposed withdrawal plans. Mr. Shultz asked the commission to send observers to UNESCO's September-October board meetings in Paris and report to him and to the commission.

"The perceived need for reform is widely shared," the panel wrote, adding that "the director general has taken steps" to "initiate and implement a very wide range of reforms and improvements."

At the governing board meeting, UNESCO member nations expressed "anger and frustration" because of "a general belief that no matter what efforts were made by the other nations, it would not affect the U.S. decision," the report said.

The United States first detailed proposed reforms in July, seven months after announcing withdrawal plans. The delay "greatly hampered the efforts of reform by UNESCO and by member states," the report said.

Fire at British Racecourse

The Associated Press

LIVERPOOL — A fire Thursday gutted the main grandstand at Liverpool's Aintree racecourse but organizers of the famous Grand National steeplechase, which has been held at Aintree since 1839, said the annual race would be run March 30 as planned.

2 Dissidents Charged With Treason in South Africa

By Associated Press

JOHANNESBURG, South Africa — Two dissident anti-apartheid activists were charged Thursday with treason for allegedly plotting to overthrow the government.

The two men, who are being held in custody, are accused of plotting to overthrow the government by force.

The charges were announced by the government, which said the two men were part of a group that was planning to overthrow the government.

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2 Dissidents Charged With Treason in South Africa

DURBAN, South Africa — Two anti-apartheid activists, arrested Wednesday as they left the British Consulate after seeking refuge there for three months, were charged in a Durban court Thursday with treason.

They are expected to be among eight defendants in a trial of government opponents set for next year. If convicted, they could face the death penalty.

Lawyers for the accused, who led opposition to a new constitution that continues to exclude the country's black majority from the central government, said the state intends to call 150 witnesses and expects the trial to last 18 months.

Archie Gumede, 72, a leader of the United Democratic Front, and Paul David, 40, an official of the Natal Indian Congress, were ordered held until Dec. 21 when the possibility of bail is scheduled to be discussed.

The other six defendants work for organizations affiliated with the Democratic Front, a multiracial group formed last year to oppose the constitution and apartheid.

The defendants also face charges of contravening sections of the Internal Security Act that forbid terrorism, sabotage, subversion and working with a banned organization.

Mr. Gumede, Mr. David and Billy Nair, another Natal Indian Congress member, left their sanctuary in the British Consulate on Wednesday after an order saying that they should be arrested and held without trial was withdrawn.

Mr. Gumede and Mr. David were arrested immediately after leaving the building as hundreds of blacks and Indians shouted support for them.

Mr. Nair, who was released earlier this year after serving 20 years in prison for sabotage, was allowed to go free. He addressed a political rally within minutes of leaving the consulate.

Hong Kong to Lose a Symbol

HONG KONG — Hong Kong will lose a symbol of its British colonial status next year when the word "colony" disappears from its currency. A phrase saying that the holder is entitled to payment "or the equivalent in the currency of the colony" will not appear on the new bank notes. Under an agreement to be signed next week, Hong Kong will revert to Chinese sovereignty in 1997.

France's African Allies Uneasy

Chad, Possible Compromise With Libya Raise Concern

By Joseph Fitchett

PARIS — France's difficulties in Chad and apparent willingness to compromise with Libya have sent a tremor of uneasiness through French relations with moderate African states whose leaders depend on France to support their economies and security, French officials and commentators say.

Any impression of French vacillation toward Libya is bound to have international and domestic repercussions because of France's special role in Africa.

About 7,500 French troops are stationed in Africa, the only significant Western military presence on the continent. French economic aid and political influence has protected moderate regimes in French-speaking African countries.

President François Mitterrand has denied there is a malaise about France's African policies. But Paris newspapers said Wednesday that France's sudden readiness to accept Libyan forces in Chad needed to be publicly clarified.

"French people routinely ignore foreign affairs, but an impression has been created of duplicity or amateurism or both," said a French diplomat who is critical of government policy. Unless this impression is dispelled, he said, it will be "politically damaging in Africa and electorally damaging in France."

Even the normally pro-Socialist daily Liberation described French policy in Chad as going from "from inconsistency to inexplicable silence."

The French government pro-

claimed last month that Libyan forces had withdrawn from Chad, leaving the country under the control of the government of President Hissène Habré. Now French officials say a Libyan contingent will remain in northern Chad to help the leader of the dissidents, Goukouni Oueddei.

Only a negotiated settlement between the two factions, the officials say, can provide a durable solution in Chad and help stabilize North Africa.

But this newly disclosed French view, diplomats said, has aroused fears among African leaders that France is moving toward acceptance of a de facto partition of Chad that would be a victory for Libya.

Doubts about French policy surfaced this week at a meeting in Burundi between Mr. Mitterrand and French-speaking African leaders.

Programmed to be a French diplomatic triumph, the African summit meeting turned into a political boomerang. Instead of arriving at a meeting with a solution in Chad, Mr. Mitterrand encountered African skepticism.

France's recently departed foreign minister, Claude Cheysson, was ceremoniously excluded from the trip, reportedly because of African ire over French policy in Chad.

The conference was boycotted by France's most important African friend, Félix Houphouët-Boigny, president of the Ivory Coast.

But these African politicians, aware of the domestic unpopularity of France's Socialist government, can be expected to go on grumbling.

The problem for Mr. Mitterrand is that his original African policy has foundered on economic problems. Initially, France's Socialists sought greatly increased Western aid to Africa, to ease social tensions and revive world trade.

This approach was opposed by the Reagan administration and undermined by France's economic problems, which make French aid increasingly unpopular.

In practice, Mr. Mitterrand has reverted to an African policy resembling the Gaullist idea of making France the "gendarme of Africa."

But the French performance has appeared unsteady in Chad. In part, policy has been colored by the Socialist antipathy for Mr. Habré, a protégé of the French right.

In addition, France contends that regional stability can only be attained if Libya is tamed by a carrot-and-stick policy instead of all-out confrontation, as sought by Mr. Habré and reportedly by the Reagan administration.

Chad, President Mobutu Sese Seko of Zaïre, whose regime has relied on French military support, appeared only at the last minute.

Irked by these diplomatic incidents, Mr. Mitterrand reportedly was terse in defending French policy in a closed-door session of the conference. African leaders, most of whom depend heavily on French aid, avoided public criticism of France.

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François Mitterrand

But Mr. Mitterrand's reluctance to back Mr. Habré to the hilt against Libya coincided with reports in the French press of Libyan influence in the unrest in France's Pacific territory, New Caledonia.

The fragility of France's African allies has been underscored by the coup d'état in Mauritania during the Burundi meeting. President Mohammed Khouna Ould Ha-

dalla was overthrown Wednesday while he was attending the last day of the conference.

Mauritania, hit by drought like its neighbors, is caught up in the struggle over the Western Sahara. Rebels, with the continued backing of Libya, have been seeking independence from Morocco despite the recent accord between Libya and Morocco.

Mr. Mitterrand's task, an aide said, is to restore credibility to his African diplomacy, which is a testing arena for France's overall foreign policy.

emeritus of psychology at Princeton University and former NATO adviser, Saturday.

Dr. Rensselaer W. Lee, 86, an authority on Renaissance and Baroque painting and the theory of art, Tuesday in Princeton, New Jersey, of complications after surgery for an aneurysm.

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New Mauritania Regime Maintains Recognition of Polisario Guerrillas

The Associated Press

DAKAR, Senegal — The new government of Mauritania officially continued recognition on Thursday of the Saharan Arab Democratic Republic of the Polisario Front guerrillas who are fighting for control of the Western Sahara.

The announcement on Mauritania radio, monitored in Dakar, said the ruling military Committee for National Salvation nevertheless hoped for a negotiated solution in the territory, where Polisario guerrillas, backed by Algeria, have been fighting for years with Morocco.

The official communiqué also restated the reasons for Wednesday's coup, which removed Lieutenant Colonel Mohamed Khouna Ould Ha-

dalla and brought the army chief of staff, Colonel Maouya Ould Sidi Ahmed Taya, to power.

The policies were turned by the former president to serve his personal interests," the broadcast said. It listed "bad management," "unemployment" and "hocking the wheels of state" as among Colonel Haidalla's failings.

The decision to recognize the Polisario came as something of a surprise. Colonel Taya, considered a moderate, has in the past expressed displeasure at Colonel Haidalla's favorable stance toward the Polisario.

The decision was certain to displease Morocco, which annexed the Western Sahara in 1975 and has been fighting a guerrilla war there ever since.

Mauritania, which took a portion of the region when Spain withdrew, was also fighting the guerrillas. But in 1979 it signed a truce with the Polisario and withdrew all claims to the land.

In February, Colonel Haidalla officially recognized the Saharan

Arab Democratic Republic, as the Polisario calls Western Sahara. The move resulted in the breaking of relations with Morocco.

Algeria, the Polisario's most ardent backer and Mauritania's ally, was certain to express relief at the decision. There was no immediate comment from Rabat or Algiers.

Last August, Morocco signed a "treaty of unity" with Libya. On Thursday, Libya announced its recognition of the new regime.

The deposed Mauritanian president, who was attending a French-African summit meeting in Burundi at the time of the coup, was reported to have returned Thursday to the Mauritanian capital of Nouakchott. Senegalese radio reported that he had been arrested.

Meanwhile, a curfew was in effect in Mauritania, and airports remained closed Thursday.

Reports from Nouakchott said the coup had little impact on the daily life in the nation of two million people.

Mauritanian radio's Thursday night broadcast said the decision to "restructure" the military committee was made "after an analysis of the current situation in Mauritania following a prolonged drought but also because of the fact that the toppled president headed a regime of waste and corruption in the country."

entering the area without a permit and was subjected to harassment by security police.

The high death rate in South African mines, Mr. Jones said, was due to a lack of safety precautions. If the same conditions prevailed in Britain, he said, the mines would be closed.

Briton Assails South Africa Mine Safety

Agence France Presse

JOHANNESBURG — South Africa's black miners live and work "in appalling conditions which cannot be tolerated by miners anywhere in the world," according to a British miner who visited some South African mines.

In an interview with the South African Press Association here Wednesday, Roy Jones, a member of Britain's National Union of Mineworkers, said at the end of a monthlong tour of mines that living conditions in some were reminiscent of Nazi concentration camps.

Mr. Jones was the guest of South Africa's National Union of Mineworkers, which represents about 700,000 black workers. He said he was arrested in a black township in Orange Free State for

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The Reticent Dynamism of Arthur Penn

PARIS—He is not prolific—only 10 films since "The Left Handed Gun" in 1958—and he is not always cost-effective, despite such box-office smashes as "Bonnie and Clyde." But Arthur Penn is a highly respected director whose running shoes quietly follow a different

MARY BLUME

drummer. He has something to say in his pictures but often blushes when talking about it: a man both independent and humble.

He is a natural enthusiast who looks younger than he should in his sweater and chinos. He is all energy on the film set, fully in

control but enthusiastic and never bossy. The idea is to build up the actor's confidence. "Safety, that's it!" he says. He is shooting a thriller, "Target," in the Boulogne studios in Paris. When he calls "coupez" at the end of a shot that has gone especially well, it comes out "couPAY" to rhyme with hooley.

"Target," which is also being shot in West Germany and Texas, stars Gene Hackman in his third Penn film (with "Bonnie and Clyde" and "Night Moves"). Penn's films have ranged from "The Miracle Worker," the story of Helen Keller and her teacher, Annie Sullivan, to "Little Big Man" and the eccentric "Missouri Breaks" with Jack Nicholson and Marion Brando. The films have a common thread, he says:

"Relationship with one's parents seems to be fairly consistent in most of my films." It is a theme that can encompass almost everything. "The family is the family and that seems to be the place where things have happened since ancient Greece."

In "Target," Hackman is an ordinary Dallas businessman whose wife (Gayle Hunnicutt) is inexplicably kidnapped. Hackman and his son (Matt Dillon) follow her trail to Europe, and during the chase the son learns that his father is not what he has seemed to be all his life.

"It's a thriller, but there's much more to it than that," Penn says. "It's predicated on what many others long for, which would be the opportunity to re-estimate one's parents while they are still alive rather than later.

Because of the compression that an espionage film has, it brings this about."

Penn was born in 1922 in Philadelphia to a watchmaker father of Russian descent. His parents separated when he was very young and he shuttled between Philadelphia and New York, living with neither parent between the ages of 9 and 11. At 14 he landed back in Philadelphia, where his 19-year-old brother, Irving, took him in hand. "He was very good about having this odd sibling," Arthur says.

Irving Penn is the eminent photographer, a craftsman of stillness. "Irving's view is in the title of his book, 'Moments Preserved.' Mine is the kinesthetic of life, the energy."

At the end of World War II, Arthur Penn worked with a U.S. Army stage group in Paris with the director Joshua Logan. As a G.I. Bill student at Black Mountain, the distinguished arts college in North Carolina, he directed a play by Erik Satie put on by two faculty members, John Cage and Merce Cunningham, and starring Buckminster Fuller, with Elaine and Willem de Kooning in the supporting cast. "Sure it was a heady experience, but it was all rather matter-of-fact," Penn says. "Black Mountain wasn't structured; the line between teacher and student wasn't drawn."

Later, Penn became a pillar of the Actors Studio and still gives a course, with Elia Kazan and Joe Mankiewicz, in playwriting and direction. For years he traveled between Broadway and Hollywood, but his last Broadway play, a sequel to "The Miracle Worker," lasted only a week.

"One of the things the film offers is volume and breadth. One of the things the theater in New York has been suffering from is penny. If you can find a two-character, one-set play in which one of the actors can also be stage manager, that's the optimum."

Still, Penn adds, "The theater gives me something to long for. Among European directors, he admires Peter Szum and, surprisingly, the extravagant Giorgio Strehler, who rarely allows text to inhibit a striking stage effect. "I know, but after you've done the kind of intense language thing I've done, you long to pull a rabbit out of a hat," Penn says.

Working in television early in his career, he won the confidence of such surly egoma-

nias as Jerry Lewis simply by showing his trustworthy enthusiasm, and he went on to become a director of dramas in what has been called the golden age of TV drama. His first film, "The Left Handed Gun," with Paul Newman as Billy the Kid, has been called a Freudian western.

"It was called 'too psychological,'" Penn says. "I don't know what degree is 'too.' It was promptly spotted and admired by the leading French critics—André Bazin, François Truffaut, and the Cahiers du Cinéma group."

In the late '50s, Penn and Kubrick and Peckinpah were definitely seen as the people who were renewing American cinema, which was in a terrible slump, says the French critic and historian Michel Ciment. While Penn's next picture, "The Miracle Worker," was a success, "Mickey One," with Warren Beatty as a terrified, hunted man, sank in the United States. Ciment says the French took it as confirmation of Penn's originality. It has been called an existential thriller.

"Mickey One" was youthful excess," Penn says. "I was really enraptured with the medium and I pressed it further than I should have. I knew what I was doing but I didn't always do the clearest version of what I was doing. I used ambiguity excessively."

Penn has always reflected his period. "Bonnie and Clyde," while set in the 1930s, was really about the violence of the '60s. "Alice's Restaurant" (1969) was an affectionate bug to the flower generation which, he says, has indelibly changed our attitude to war. But "Mickey One," he says, while made in 1965, was in part influenced by the silence of the McCarthy era.

"Through the McCarthy era there was that self-imposed silence because people were unwilling to speak out and risk giving up their material possessions. That was the point about Mickey being bought."

W HATEVER his concepts, Penn always makes genre films—thrillers, westerns, crime stories. Yet the subtext is often, even marginal. "They tend to drift out of the mainstream and hover on the edge of that strange thing of being indescribable," he says. He dislikes the cop-out phrase "cult film," which directors often use to describe a flop. "Which cult do you belong

to?" he inquires, putting on a long, pious expression. "The 'Mickey One' cult?"

There are plenty of films he wishes he had made, especially "The Godfather." "But I know I couldn't have done it as well" as Francis Coppola, he says. From the genocide of "Little Big Man" to the fight between Helen and Annie in "The Miracle Worker," his films contain a good deal of violence, and it irritates Penn, a gentle man, to be thought of as favoring violence. It simply has its uses, he says, to show "a kind of interpenetration between one kind of perception and another. It can also show life in all its wretchedness."

In 1972, while filming the Munich Olympics, Penn and his wife witnessed the killing of 11 Israeli athletes by Palestinian terrorists. He did not make any films for five years in the '70s but says there is no connection: He simply wanted to be with his wife, a family therapist, and watch his son and daughter grow up. "We had a marvelous time, it was quite the reverse of alienation."

Penn says he is very lazy when he is not working and likes to drive a tractor around his property in Stockbridge, Massachusetts, where he grows weeds. On the set he is a dynamo, but an unobtrusive one.

The day's shooting for "Target" takes place in a replica of the dining room of a modest Paris hotel, where Hackman and Dillon sit alone at a table. There will be nothing picturesque about Penn's Paris. "It will just be an expedient, ordinary place." When he shot in the beautiful Palais Royal gardens, his camera was turned away from the trees and into the shop fronts.

Today's scene is essential because it is the first hint that Gene Hackman gives to his son, Matt Dillon, that he is not the ordinary fellow he has always seemed to be. Hackman plays with implacable perfection: Dillon falters. Penn talks to him, smiling. The effect is complicity, not direction. As he walks away from the actors for another take, Penn says warmly, "That's great. Great. Great."

The next take isn't great and Penn clearly didn't expect it to be. When he senses that he has worked Dillon to the right pitch of intensity and vehemence, Penn doesn't just call out "action." He calls, "action, ATTACK!" Dillon attacks. The take is good and there is no doubt that Penn's final "coupez" rhymes with hooley.



Arthur Penn, left, on the set with Gene Hackman and Matt Dillon.

Hungary's Refugee Musical Voice

by Alan Levy

MARL, West Germany—Whether playing Carnegie Hall in New York or the Musical Summer concerts in the courtyard of Vienna's City Hall, the Philharmonia Hungarica is often mistaken for and sometimes reviewed as a touring orchestra from Budapest. "Eighty percent of the public think we live behind the Iron Curtain," says its first violinist, Veronika Sas. The musicians' fan mail often goes to Budapest, whence it is rarely forwarded. For the Philharmonia Hungarica is, in reality, a world-class émigré orchestra founded in Vienna in 1957 in the ashes of the previous year's Hungarian uprising and resident for a quarter of a century in this coal-and-chemical city of 90,000 in the Ruhr.

"The Philharmonia Hungarica is the most successful example of a cultural transplant," says Yehudi Menuhin, the violinist, an early and frequent soloist with the orchestra. "The generous host country showed hardly a trace of the rejection syndrome. The graft was accepted and supported and it brought richness, wealth, and beauty to Germany and to the world." Menuhin sees the orchestra's saga as part of the eternal paradox of "good that comes out of evil."

In the dark days of December 1956, a young Hungarian conductor named Zoltan Rozsnyai, who had escaped from his homeland during October's uprising, had the inspiration to assemble some 70 symphonic musicians from the refugee camps of Austria and the back rooms and divided apartments of Vienna. Objective: to put together an orchestra. Strong on winds but weak on strings, Rozsnyai ran into Sas in Vienna on her second day in the West. She had just fled Hungary on foot, trudging through snow while wearing her fur coat and two dresses and carrying her violin, music scores, a braided hair, and one change of clothes—only to find that Viennese orchestras at that time didn't hire women as musicians. (The Vienna Philharmonic still doesn't.) "You're here!"

Rozsnyai exclaimed. "Now we have an orchestra!"

With support from the conductors Karl Böhm and Josef Krips and the composers Gottfried von Einem and Nicolas Nabokov, the Ford and Rockefeller Foundations, the International Refugee Commission and the UN High Commissioner for Refugees, among others, Rozsnyai obtained funds in early 1957 for a 100-day trial, during which time a hotel in the spa of Baden bei Wien was Philharmonia Hungarica's base.

That March, Rozsnyai smuggled a two-word message, "ORCHESTRA EXISTS," from Baden to his favorite concertmaster, Erwin Ramor, in Budapest. Ramor, one of nine founding members still active in Philharmonia Hungarica, remembers taking the news to a contact in the Hungarian Ministry of Culture and telling him: "I have a wife and three children. Either you give us a passport or we'll have to go on foot." His friend shuddered and suggested that, to avoid suspicion, he would grant a visa to the entire Hungarian Radio String Quartet, of which Ramor was one-fourth, and their families for a mythical concert tour in the West.

Visa in hand, Ramor scurried around Budapest, only to discover that half the quartet had already fled to Austria. "The cellist had left behind his instrument," he recalls, "so the other musician and I brought it out, too, with our families and belongings." Upon their reunion in Vienna the entire quartet joined Philharmonia Hungarica.

TWO earlier Hungarian emigrants lent their names and talents to the fledgling orchestra. One was Janos Starker, who played Dvorak's cello concerto on a program of Bartok, Kodaly and Haydn at Philharmonia Hungarica's first public concert on May 28, 1957 at Vienna's Konzerthaus. The other was Antal Dorati, then chief of the Minneapolis Symphony. He began a long association with "PH," as the new orchestra was soon nicknamed, by conducting its third concert in Vienna. Years later, under Dorati, between 1969 and 1972, PH made musical history by recording all 104 of

Joseph Haydn's symphonies for Decca: an accomplishment that won it many prizes and a golden disc for seven-figure sales.

Even before Dorati first co-conducted PH in October 1957, Rozsnyai had sent an SOS to Minneapolis. Most of the members had fled Hungary without tuxedos and evening gowns. In time for the orchestra's spring debut, Dorati's brother-in-law, who ran a shipyard, wrote a check for \$2,500 to replenish the wardrobes. Menuhin, who played a Bartok violin concerto at PH's second Viennese performance, took note of the shabby condition of the orchestra's harp and, upon his return to the United States, sent a one from Chicago. "It was like a fairy tale at the beginning," says Sas, "but not for long."

As the orchestra's success mounted with radio and TV exposure and European tours with Dorati, the Austrian musicians' union took note and so did PH's members were virtually personae non gratae. "When we were poor," says Sas, "we were 'those nice, unfortunate little Hungarians,' but now we were competition. The day I could afford to buy my own furniture was the day I became a threat to my neighbors."

While their Viennese manager, Heinrich Kraus, searched for sanctuary in affluent West Germany, PH played a 1958 tour of Italy, the Netherlands, France and West Germany, aware that the success of its German debut on May 28 might matter to its future. A triumphant Paris debut on May 27 (Dorati conducting and Menuhin playing Bartok and Beethoven) augured well for the next night in Bad Godesberg. On the night of May 27-28, however, Charles de Gaulle returned to power and, in the tension of the military and civilian revolt in Algeria, France's frontiers were temporarily sealed.

The musicians and lighter instruments left on the last train that got through to West Germany, but a truck with heavier instruments was halted at the border. On the afternoon of May 28, using a borrowed sound truck, Kraus cruised the road between Bonn and Bad Godesberg imploring motorists to lend PH their ears and their drums, basses and cellos. As instruments arrived backstage and were tried and tuned, a glint-

ing, prominent and punctual audience assembled out front. When PH needed another hour, that night's soloist, the violin virtuoso Joseph Szigeti, went on stage and serenaded the crowd with unprogrammed Bach sonatas.

In early 1959, PH played two concerts in Marl, then a loosely linked confederation of nine remote villages and 37,000 inhabitants between Essen and Münster. A few months later, while on its first American tour, the orchestra learned it would lose its Rockefeller and Ford funding. But a savior had materialized in the form of Marl's culturally ambitious mayor, Rudolf Heiland, whose name in German means "savior." With financing by city, state and federal governments, PH became the official orchestra of the "City of Marl," which now boasts that it is the "Home of Philharmonia Hungarica." UNESCO stepped in by building PH a housing project for its members, with the actor Yul Brynner, in his role of UN special emissary, laying the cornerstone.

ONLY 60 of the initial 70-odd members relocated. Some, like the violinist Jozsef Szyo, had too much else going for them in Vienna, while, for other cosmopolitans, the far-flung fields of Marl, punctuated by pits and smokestacks, were too great a comedown from the sophistication of Budapest and Vienna. But those who did migrate were warmly welcomed by Mayor Heiland, who rejoiced when he saw "so many young members that Marl can hope for a six-figure population before long." Heiland is dead, but Marl's population has nearly tripled to realize his ambition. And, despite its carefully cultivated mistaken identity, Philharmonia Hungarica has put Marl on the cultural map.

Though a little local resentment was at first expressed of the "Hungarian gypsies" moving into their "fancy new housing," it abated when the newcomers put down roots and some of them married Marlers. Still, the orchestra retains its refugee character to keep its government subsidies. Of the present 87 members, 50 are counted as ethnic



Zoltan Rozsnyai conducting at a 1957 rehearsal.

Hungarians and another dozen come from East European lands. "There will always be refugees—even from Hungary," says the present manager, Viennese-born Herbert Tobischek, 43, himself married to a Marler. The rest of PH include 13 Germans, three Americans, two Austrians, a Canadian violinist (who recently married a Hungarian violinist), a Scot, three Japanese and two Israelis. Among the two-generation families are Josef Balint Sr. and Jr., neither of whom has taken West German citizenship because "We are always Hungarian," even though they have been stripped of their nationality for overstaying a 1958 exit visa.

How the Hungarian regime feels about Philharmonia Hungarica is another matter. Although, under various amnesties, the musicians can and do visit Hungary individually, theirs is officially a nonorchestra. Its recordings are played on Budapest radio, but identified, for example, only as "Haydn's 37th, led by Antal Dorati." When a Hungarian harpsichordist was imported recently for an orchestral performance of Kodaly's "Hary Janos," the required invitation came from Tobischek as a private citizen.

Rozsnyai moved to the United States in

1960, though he still guest-conducts often. He was succeeded by the Greek-German maestro Miltiades Caridis for a notable eight years, followed by a succession of chief conductors—the latest of whom, Uri Segal, son of the violinist Tibor Varga, son of the violinist Tibor Varga. In this interim, the orchestra's most noteworthy project is recording (for the German label with the improbable name of Schwann Bagel) two symphonies and a concerto by the largely forgotten Austro-Hungarian-Bohemian composer Emil von Reznicek (1860-1945).

Gordon Wright, who has been conducting PH in the Reznicek recordings in nearby Recklinghausen, is music director of the Fairbanks Symphony and Arctic Chamber orchestras in Alaska. Wright says that, not long ago in Geneva, went backstage after a National Orchestra of Budapest concert "that was all Beethoven and Schumann. I asked the conductor why they hadn't played anything Hungarian. And he said, 'For a Hungarian orchestra to sell tickets in the West, our Swiss impresario told us we had to stick to the standard repertoire.' As soon as I heard that, I thought to myself: 'Thank God for PH!'"

Living With the Enduring Legacy of Zapata

by Mark J. Kurlansky

CUAUTLA, Mexico—It began in 1909 in Anenecuilco, a farming town in Morelos state, south of Mexico City, when someone in a crowd called out: "We just want a man with pants on to defend us."

The man they got was Emiliano Zapata, a quiet young farmer with deep-set eyes of passion, a skilled horseman who dreamed of a simple life in the Morelos countryside. But because he did not believe in compromise, he became what many people considered one of the purest revolutionaries in the history of Latin America. In any case he was one of the most single-minded, with his goal of land reform, fought for with an army recruited from plantations and villages. He died at the age of 39 in a government ambush.

To the rural poor of Mexico, the campesinos, he was a saint. Today, as the increasingly restless campesinos march and demonstrate for the same principles of "land and liberty" for which he fought, they shout in unison, "Zapata lives."

Nowhere is he more alive than in the village of Anenecuilco, where Zapata has been in the forefront of popular causes since the war of independence against the Spanish began in 1810.

A billboard on the road welcomes you to the town of Emiliano's birth. An adobe ruin that was the house in which he was born is preserved as a monument. The days of his birth, Aug. 8, and of his death, April 10, are both celebrated there.

The town now abuts the larger center of Cuautla, where a modern world of traffic jams blends in an easy Mexican way with donkeys carrying crops to market and campesinos dressed in white, with wide straw hats, brightly colored serapes and machetes in scabbards of tooled leather.

Their sombreros are a little narrower than in Emiliano Zapata's day, but many of their problems remain the same. To find help they turn down a street off the central plaza, duck through an unswept hallway and up the back stairs to a dusty open space of a waiting room with an office in the corner. Sitting at a desk under a giant portrait of Emiliano, they can find another Zapata, Emiliano's son Mateo.

EVEN sitting there stiffly in an open-collared white shirt, there is no doubt that this small, dark, gray-haired man is. At 67, he is 28 years older than his father was when he died. But Mateo has the same burning, intelligent, almond-shaped black

eyes and a thick, but slightly smaller, brush mustache.

Mateo is the national director of the Plan de Ayala, a loosely formed independent national coalition for campesino problems that takes its name from his father's 1911 agrarian reform manifesto. But this Plan de Ayala was formed in 1975 by Mateo and his oldest brother, Nicolas. The only child Emiliano really got to know was Nicolas, the little boy in homemade white clothes who Zapata brought with him in 1914 for his first historic meeting with Pancho Villa. Nicolas became a government official and was accused of land-grabbing in the 1930s. There were often bad feelings between the sons and the old Zapata veterans.

Seeing that the Zapatista Front, the veterans' organization, "was composed of pseudo-revolutionaries who ignore the needs of the campesinos, we saw the need to form this organization," said Mateo in a soft, even voice.

Although he and Nicolas, who died in 1979, both worked in government posts, Mateo says that government officials "never concerned themselves with helping campesinos." In addition to a sister, Anna Maria, 70, who is a farmer, Mateo has a brother, Diego, 69, who lives in Mexico City and works with the National Confederation of Campesinos, the agrarian wing of the Institutional Revolution-

ary Party that has ruled Mexico since the end of the revolutionary period.

But Mateo is not in close contact with Diego, and he questions that the confederation helps the campesinos. "In Chiapas, there are coffee plantations that have the same conditions they had in 1910," when the revolution began, Mateo says.

The previous Mexican president, José López Portillo, wanted to place Mateo in the Senate, where the Institutional Revolutionary Party controls all seats. "But the power is not given to the people," says Mateo. "I feel stronger standing here than in a Senate seat."

He says he will not accept any pay for his work with the Plan de Ayala. "I feel that it is an obligation. The only inheritance that my father left me is to look after the campesinos, and I do it according to my possibilities and my limitations."

MATEO has no memory of his father, who was killed in 1919 when Mateo was 2. But he has always accepted his destiny as the son of the great man he over knew. His soft voice grows even smaller and there is something close to pain in his high pitch when he says, "It is difficult to be the son of a man like this. With respect I say that I don't know what he felt, me, his son,

common and ordinary, pressured by what he has done, me, son of a hero."

"Since he did it for himself, they give him credit for himself. If I do something, Mateo didn't do it, it was done by General Zapata. I can do nothing," he says. "I practically do not have my own life."

He is married with four children. One is a farming specialist, another, a course in Mexico City, the third, a grade school teacher and the fourth, a factory worker in Morelos.

Like his father, Mateo wanted to be a campesino, but the life of a small farmer in Mexico is hard. He lost his land, his horses, his house and his savings when he tried farming as a young man. He then worked for 32 years for the state of Morelos as the head of the tax division.

He now has a modest house on a main street about a mile from the center of Cuautla. He earns his living from a small plot of land, works with his campesino organization and lives the quiet life of an obscure, locally important, rural figure.

It is the life his father said he wanted to live in 1911, the year in which he married. But history, the revolutionary leader's own unsympathetic nature, and a decade of civil war conspired against that dream.



Mateo Zapata and father.

TRAVEL

Christmas Shopping: In Spanish Streets and Swiss Airports

by Mary Peirson Kennedy

MADRID — Christmas shopping in Madrid comes in all sizes and prices, it is leisurely — Spaniards traditionally exchange gifts on Jan. 6, so there is no frenetic last-minute rush before Christmas — and, as Spain abounds in artisans and artists, it is an adventure for the person who is looking for that special and different present.

The large department stores in Madrid stay open all day. The small shops are open from 9:30 or 10:00 A.M. to 1:30 or 2:00 P.M. and from 5:00 P.M. to 8:00 P.M. They usually close Saturday afternoons.

The Puerta del Sol, in the center of Madrid, is where Spaniards gather at the stroke of midnight on Dec. 31 to eat 12 grapes for good luck in the New Year. It is also the center of sales for the Christmas lottery (drawn Dec. 22, tickets sell for as little as 200 pesetas, or about \$1.20). Streets, wide and narrow, fan out around this huge plaza. In Espoz y Mina, at No. 3 you will find Guantes Laque, a shop devoted to gloves. In business for more than 100 years, it offers mittens, fur-lined gloves, and gloves of velvet, lace, crocheted cotton and silk. The largest selection is in leather. Prices range from 1,000 to 5,000 pesetas. There are gay, polka-dotted leather gloves at 2,800 pesetas, lace opera gloves at 1,500, brightly colored mittens for 1,000. Sizes range from extra large to extra small. (Tel: 222-3287)

At No. 12 on the same street is Cuchillerías Simón, a store that specializes in anything that cuts — hunting knives in all sizes and shapes, kitchen knives (priced from 1,300 pesetas for a single knife to 46,000 pesetas for an elaborate set) and more than 300 types of scissors (including mustache, baby's fingernail, and paper scissors) priced from 600 to 1,100 pesetas (tel: 222-9851). And if you subscribe to the superstition that you must not give a gift that costs without giving money with it, go on a Sunday morning to the old-coin shops in the nearby Plaza Mayor and buy a silver coin from the time of Carlos V, or a Roman or Greek coin for anywhere from 300 to 300,000 pesetas.

Calle Cruz also starts at the Puerta del Sol. At No. 23 is what may be the only authentic cape shop left in Spain. Seseña, now run by a third generation of tailors. The traditional cape store there is made of special wool woven by artisans in Béjar, in Salamanca province. Though there is no claim that the

capas are waterproof, it does take a great deal of rain to dampen them. Picasso and Miró wore Seseña capes, and Liberace has more than one. The woman's classic cape with a hood is a half circle, and the man's is a full circle, but both have the dramatic front panel, or *embozo*, that allows the wearer to wrap the cape around his body and protect the face. The capes begin at 20,000 pesetas and go as high as 58,900 for embroidered ones. The classic models for men and women range from 25,000 to 32,000 pesetas. (Tel: 231-6840)

A few blocks away, at Carrera San Jerónimo 30, the descendants of Luis Mira still make Christmas candies — marzipan and turrón. Here you will find a crowd — for the Madrileño Christmas is not Christmas without turrón from Casa Mira. Perhaps the most popular are those of almond, peanut or dried fruit. The candy sells for 2,040 pesetas a kilogram (2.2 pounds). (Tel: 429-6796)

THE many tiny streets that emanate from the nearby Plaza Mayor feature such interesting shops as Maravillas, at Calle de la Sal 3, where, for 18,000 to 55,000 pesetas, you can indulge your longing for a bullfighter's outfit. Have one made to order; it will be ready in three days. Specializing in regional costumes, ballet and dance clothes, this tiny shop also has authentic regional dolls, from 490 to 2,500 pesetas. (Tel: 266-5248)

The Magenta at Huertas 61, (not far from the Prado museum) is worth a visit. It is where young Madrileños go if they are house-furnishing on a budget. Daniela Boyano, the director and an interior decorator, has collected things from all over, and the shop serves as an outlet for an artist's commune near Madrid. Copies of ancient sundials from Madrid's Naval Museum range from 1,200 to 3,000 pesetas; framed, dried plants cost from 750 to 40,000 pesetas. Plaster of paris heads of provocative-looking women in period dress have proved to be a best-selling item (about 2,750 pesetas apiece) as have copies of antique earrings that sell for 375 to 1,850 pesetas.

Also note the wooden toys and puzzles for children; herb colognes for each zodiac sign (900 pesetas each); for the oonsmoker, a pleasant-smelling herb mixture that, placed in an ashtray, burns on contact with cigarettes or cigars and absorbs odors (900 pesetas). It is open only from 5:30 P.M. to 9:00

P.M. weekdays and 10:00 A.M. to 1:30 P.M. Saturdays. (Tel: 439-7040 or 429-3033)

Madrid's most elegant shopping is around Calle Serrano and Calle Goya and the Barrio Salamanca. At Bucarian, Conde de Aranda 21, the artificial and the natural in the floral world blend together so well that it is hard to tell the difference. The shop's specially treated ferns and palm trees are billed to "last forever." There is a huge collection of real and artificial Christmas decorations, with wreaths beginning at 4,000 pesetas. A tree of gold and silver shells is 6,500 pesetas, and table centerpieces begin at 2,875 pesetas and go up to 10,000 pesetas. The course costs 6,500 pesetas and includes materials. (Tel: 435-4070)

And for the woman who has everything? At Conde de Aranda 6, is Berta de la Cruz's tiny shop, which devotes itself to handmade underwear, nightgowns and baby clothes. As Berta de la Cruz explains: "There are very few women left in Spain who dedicate themselves to this art anymore, and when they go, we will go out of business." A classic slip can come with lots of lace or a little and sell for 36,000 pesetas; a christening dress is 38,000, a nightgown, 2,800, and a tiny dress for a new grandchild, 5,800. Everything is made to order. If you bring in a piece of antique lace, the shop will use it on your slip or nightgown or baby's dress. (Tel: 435-4102)

Around the corner, at Claudio Coello 16, is Arribas, a pottery shop devoted to Spanish potters and full of unusual and decorative items. Copies of ancient pharmacy jars, with flowery script, sell for 1,000 to 1,600 pesetas, and hanging wall planters are 400 pesetas. Pots, bowls, jars and mugs copied from items found in archaeological sites go for 400 to 900 pesetas; unglazed jars big enough for Ali Baba and his 40 thieves are 7,000 pesetas each; a trumpet that will blast across any field is 500 pesetas, and children's pottery banks are 150 pesetas.

For a last-minute present there is VIPS, open every day until 3:00 A.M. at the corner of Velázquez and Ortega y Gasset, where you can buy exotic foods, gimmicks, toys, gadgets, records and tapes. (Tel: 262-8438)

If you want to donate to a charity, contact L'Ayuda en Acción, at Calle Caracas, 21, Madrid 28010, which helps children around the world; or Pro Juventud at Calle del Pez, 27, Madrid 01010, an organization that combats destructive cults and helps families whose members are involved in them. (Tel: 231-0950)

by Mavis D. Guinard

THOSE fat snowflakes so eagerly awaited by skiers are finally falling in the Alps. Below the snowline, in most Swiss cities, they turn into rain and sleet.

On such days, any sensible Swiss housewife stays home to bake cookies. But travelers don't have the choice. Though Christmas shopping is headier in downtown stores, one way to beat the weather is to use airport shopping facilities.

There is more to Geneva's Cointrin Airport than Zurich's Kloten Airport than the tax-free lure of perfume, liquor and tobacco in the transit area.

Kloten is a shopper's paradise. In two terminals and four levels, 16 shops are open every day but Christmas from 8 A.M. to 8 P.M. There are plenty of pushcarts and comfortable seats, and the tearooms are convenient for a break. There are also two banks and a post office.

There is a train from Zurich's main station every 20 minutes. On the Bahnhof shopping level, Marinello's grocery displays fruits and vegetables, even Swiss-grown kiwis. A more typical gift might be the raclette grill with individual melting pans for 96 Swiss francs (\$38) or, for 110 francs, a fondue set complete with ceramic pot, burner, six long-handled forks and two packages of cheese mix. From their wine shelves you may select a strong, dry, white Fendant du Valais to serve chilled with the fondue (11.30 francs).

To add some oompah-oompah background to your party, Air Music Record Shop on the Plaza level suggests a roundup of Alpine music from bands all over Switzerland playing accordions, alpenhorns, cellos, mouth organs and slapping broomsticks (27 francs). The pop-rock crowd might prefer Polo Hofer's newest record, Polo Vinyl (24 francs).

No one will forgive you if you forget to bring back some Swiss chocolate. The most luxurious are the *truffes du jour* brought daily to Confiserie Sprüngli from its Parade Platz headquarters. A single truffle costs about 1 franc. The saleslady will also wrap and mail ready-made assortments such as the No. 1 selection (12 francs), the VIP choice (11 francs) or the Top Ten favorites (9 francs). Standard brands are stocked at the ovenside paper kiosks along with nostalgic postcards (50 centimes) that would be great as Christmas cards with their reproductions of old

Swiss travel posters and winter sports scenes. Cuckoo clocks sell for as low as 89 francs, or up to 625 francs for a deliciously complicated model. The more up-to-the-minute line of Swatches found here (39.90 francs to 49.90 francs) includes the hard-to-find Swatch "skeleton" that shows the simplified movement. Snap up the model you fancy — despite production of 2.5 million units, the Swatch of the year is hard to find, even in Switzerland.

The early tourists protected their faces from the high-altitude sun with black veils and green goggles: A oater protection today is the Piz Buin Combi (6.50 francs), which includes lip balm and a tube of suntan cream designed to fit in the pocket of the clingiest skiwear. Pharmacy International has it, as well as a half-liter of Baledas bubble bath (13.60 francs) for après-ski soaking, the La Prairie line of biological skin-care products, and Juvena's practical green case of eye shadows, brushes and blusher (28 francs).

For more active hours, the Adidas shop has a range of sports and ski gear as well as "I love Switzerland" T-shirts for 13 francs. In the Franz Carl Weber toy shop is the wooden Davos sled first made 100 years ago, still a best-seller for 34.90 francs and 44.90 francs. A state-of-the-art red plastic EKO bobble is 24.90 francs. A television series of Johanna Spyri's "Heidi" has revived interest in the endearing Swiss child created in 1881. There is a Heidi doll with real hair and homespun clothes for 279 francs.

The newest Christmas stamp features Heidi and a goat on a red background (35 centimes plus a 15-centime surcharge for a child welfare fund). Stick a few on the Christmas packages you mail at the post office on the Plaza level. There you will find string and paper, as well as boxes in five sizes, including some shaped for books or bottles. There is also a beginner's stamp-collecting set with magnifying glass and tweezers for 23 francs.

ON the departure level of Cointrin Airport six shops are open every day but Christmas from 8 A.M. to 7:30 P.M. The accent is on luxury: a Boutique Dior where the only Swiss item is the saleslady, a sophisticated Bon Génie for the fashion-conscious, and a jeweler's showcase, Gilbert Albert's Boutique Rive Droite shows a gold "algae" choker that seems to have oiled an irregular chunk of Biwa pearl, 10 black-star sapphires and 32 diamond chips

(30,000 francs). This modern creator became famous for a cunning ring: The wearer's finger locks the semi-precious beads into the mount (in silver, 280 francs, in gold, 750). Each is sold with a 13-millimeter (half-inch) steel bearing and one 25-frame "bead" in a tiny green suede pouch. Among the 25-franc stones in an array of 20 colors is an Alpine quartz that might have been cut off of a glacier.

The ever-present Swiss bank will, of course, change money, but will also sell you a miniature gold bar (an almost stamp-sized 5-gram ingot is quoted at 155 francs). Far cheaper are more mundane metals at Coutellerie du Mont Blanc: pewter artifacts, copper pans, and Swiss knives with steel blades that do everything but yodel (from 12.20 francs to 59 francs).

Bern has no airport shop but is blessed with arcades on its main shopping street. At Sturzenegger's on Marktgasse are the miniature cotton blouses that Heidi wears in the movies, with eyelid-edged collars (29.50 francs) or sprays of embroidered flowers (32.50 francs).

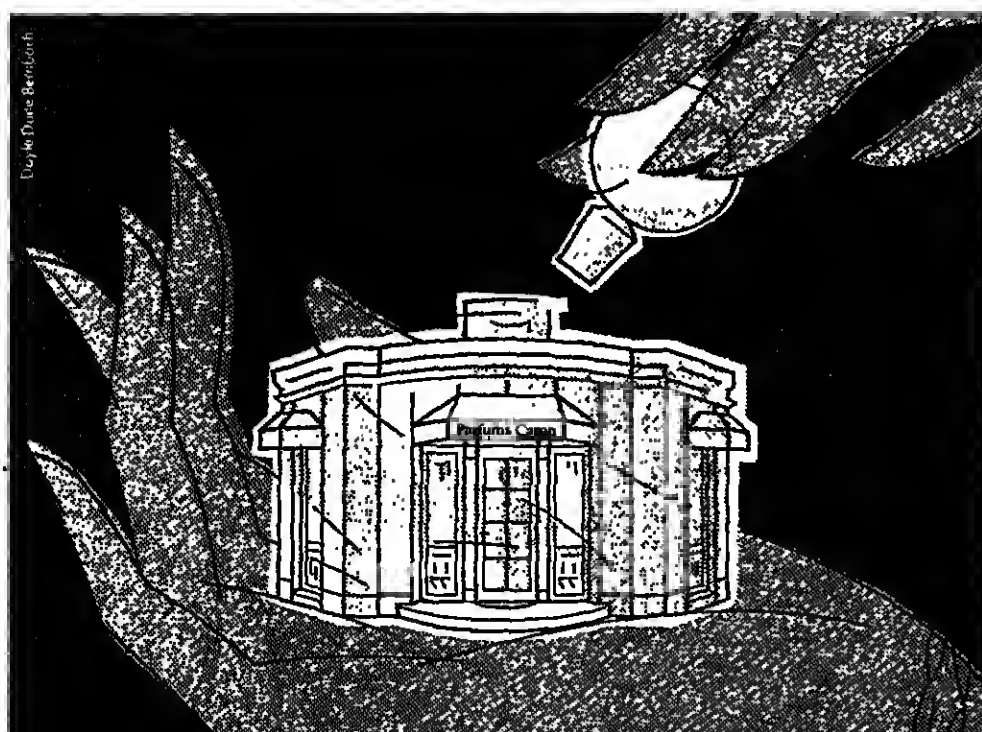
More rustic tablemats of woven linen can be found at the Swiss Heimwerk (Kramgasse 61) alongside leather belts with fancy brass insets (36 francs) now worn with ski clothes or the overblouses sported by the Swiss Olympic athletes (67 francs).

Or consider hand-crafted wooden crèche figures (carved animals are 34 francs, people are 64), or wooden toys (a stable full of farm animals is 325 francs). Large wooden knitting needles (5 to 9 francs) are stuck in balls of handspun wool from Evoline. Intricate cutout Alpine scenes known as *découpages* start at 220 francs for originals; small reproductions on Christmas cards are 2.80 francs.

Further down the street at Gerechtigkeitsgasse 73 (same street, oew name), Vitrine concentrates on handcrafted glass and wood from modern designers. Here, a découpage is printed on the jacket of Hannes Meyer's Alpine Christmas tunes (27 francs).

All the folklore gives a bright impression of Alpine life, but for many of Heidi's and Peter's descendants, the outlook is darker. To help needy mountain folk — oumbered at 16.270 last year — during the harsh winter months, the Secours Suisse d'Hiver asks for help. Donations should be sent to Postal Checking Account No. 80-8955, Clausiusstrasse 45, Zurich 8006 (tel: 01-252-3860). Your gift will go for clothes, bedding, sewing machines or food.

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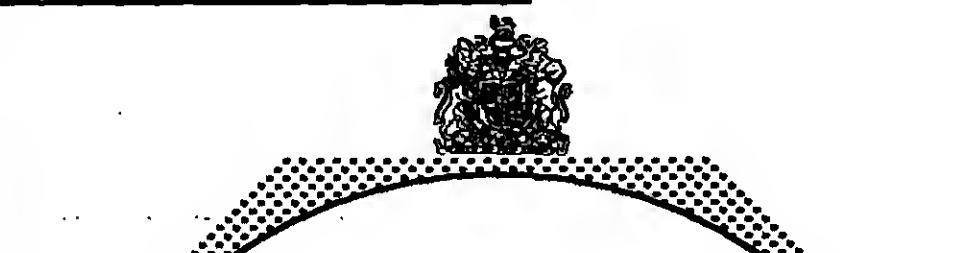
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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
AT&T	1672	18 1/2	18 1/2	+ 1/2
IBM	1147	111 1/2	111 1/2	+ 1/2
Unilever	1109	27 1/2	27 1/2	+ 1/2
Boeing	974	31 1/2	31 1/2	+ 1/2
Amgen	832	25 1/2	25 1/2	+ 1/2
Amgen	772	25 1/2	25 1/2	+ 1/2
Amgen	772	25 1/2	25 1/2	+ 1/2
Amgen	772	25 1/2	25 1/2	+ 1/2
Amgen	772	25 1/2	25 1/2	+ 1/2

Dow Jones Averages				
Open	High	Low	Close	Chg.
Index	1747.47	1745.33	1745.33	- 2.12
Indus.	572.87	572.87	572.87	- 1.77
Transp.	115.47	115.47	115.47	- 0.11
Comp.	471.95	471.95	471.95	- 0.11

NYSE Index				
High	Low	Close	Chg.	Vol.
Composite	1747.47	1745.33	- 2.12	174,747,474
Indus.	572.87	572.87	- 1.77	57,287,287
Transp.	115.47	115.47	- 0.11	11,547,474
Comp.	471.95	471.95	- 0.11	47,195,474

NYSE Closing				
Vol.	High	Low	Last	Chg.
Vol.	1747.47	1745.33	1745.33	- 2.12
High	572.87	572.87	572.87	- 1.77
Low	115.47	115.47	115.47	- 0.11
Last	471.95	471.95	471.95	- 0.11
Chg.				

AMEX Diaries				
Class	High	Low	Close	Chg.
Advanced	1747.47	1745.33	1745.33	- 2.12
Declined	572.87	572.87	572.87	- 1.77
Unchanged	115.47	115.47	115.47	- 0.11
Total Issues	471.95	471.95	471.95	- 0.11
Volume				
Volume down				

NASDAQ Index				
Class	High	Low	Close	Chg.
Composite	1747.47	1745.33	1745.33	- 2.12
Indus.	572.87	572.87	572.87	- 1.77
Transp.	115.47	115.47	115.47	- 0.11
Comp.	471.95	471.95	471.95	- 0.11

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
Vol.	1747.47	1745.33	1745.33	- 2.12
High	572.87	572.87	572.87	- 1.77
Low	115.47	115.47	115.47	- 0.11
Last	471.95	471.95	471.95	- 0.11
Chg.				

12 Month High Low Stock				
High	Low	Stock	Div.	Yld. PE
21 1/2	17 1/2	AAR	48	38
17 1/2	15 1/2	AGS	30	34
15 1/2	13 1/2	AMR	11 1/2	11 1/2
13 1/2	11 1/2	AMR	11 1/2	11 1/2
11 1/2	9 1/2	AMR	11 1/2	11 1/2
9 1/2	7 1/2	AMR	11 1/2	11 1/2
7 1/2	5 1/2	AMR	11 1/2	11 1/2
5 1/2	3 1/2	AMR	11 1/2	11 1/2
3 1/2	1 1/2	AMR	11 1/2	11 1/2
1 1/2	0 1/2	AMR	11 1/2	11 1/2

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7 1/2	5 1/2	AMR	11 1/2	11 1/2
5 1/2	3 1/2	AMR	11 1/2	11 1/2
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NYSE Off in Moderate Trading

United Press International

NEW YORK — The New York Stock Exchange closed lower Thursday after ignoring some economic figures showing that consumers were in a spending mood as the Christmas selling season got under way.

Stocks that received takeover bids or were rumored to be takeover candidates were in the spotlight. Oil issues and technology stocks weakened.

The Dow Jones industrial average, which fell 3.20 points Wednesday, lost another 2.12 to 1,745.33. Volume rose to 81.5 million shares from 78.7 million on Wednesday.

Before the market opened, the Commerce Department reported that U.S. retail sales for November jumped 1.8 percent, to a record \$110.3 billion. The increase, the strongest since April, was considered an encouraging sign that the economy can grow at a faster pace.

New figures from Detroit showed that domestic car sales were up nearly 20 percent in early December. General Motors, Ford, Chrysler and Honda all had gains.

Another factor that may have deterred some investors, Mr. Burnett said, is the possibility of a sharp movement in stock prices on Dec. 21, the day some stock index futures and options ex-

\$7.1-Billion Fall in M-1 Is Bigger Than Expected

United Press International

NEW YORK — The narrowest measure of the U.S. money supply, M-1, plunged \$7.1 billion to \$547.1 billion in the latest week, showing that the economy still is weaker than some had thought. Analysts said the drop could signal an imminent cut in the Federal Reserve's discount rate.

This latest week was about double the decline the market expected and shows much weaker M-1 growth than the Fed would like to see," said David M. Jones, economist at Aubrey G. Lantson & Co. "So it does raise the chance of a further Fed easing move, possibly a discount rate cut as soon as this Friday."

The M-1 measure includes currency in circulation, travelers checks and checking deposits.

Blue-chip issues dropped sharply in a similar situation Nov. 16.

Phillips Petroleum was the most active NYSE-listed issue, adding 1 1/2 to 53 1/2. Phillips is fighting a takeover move by Mesa Partners. Mesa Petroleum was unchanged at 20 1/2.

AT&T was second on the active list, off 1/4 to 18 1/2. British Telecom ADRs were third, off 1/4 to 11 1/2.

Other oil issues declined on the continuing weakness in oil prices. Mobil dropped 1/4 to 26 1/2; Atlantic Standard 1/4 to 5 1/2; Exxon 3/4 to 43 1/2; and Amoco 1/4 to 33 1/2.

Texaco 1/4 to 33 1/2, and Chevron 1/4 to 31 1/2.

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3 1/2	1 1/2	AMR	11 1/2	11 1/2
1 1/2	0 1/2	AMR	11 1/2	11 1/2

2000 ON THE DOW - PLUS 800% PROFITS

Four months before the historic August 1982 bull market ramped up, our analysts wrote... "With a swing to the right, America is reverting to the conviction that anyone can attain a better life through tenacity, enterprise and sensible thrift; that life's prospects are essentially good; that peniless ambition is bankable. Buy America while it is still available at wholesale prices. Virtually every equity making up the DJI will sell far above current prices by year-end. The DJI will touch 1,000 before hitting 750." (At the time, the DJI was dropping under 800). Our prophecy was sustained; the DJI vaulted to 1290. And now?

The DJI will fill the gap between hope and performance, escalating over 2,000 with corollary upswings in secondary and emerging shares. Investors have been psychologically chilled by the air pockets the markets are experiencing; too many confuse convulsions with a death rattle. Despite the drop from 1290, the bull is more dangerous than ever, let the ticker-tape novillero beware. Although segments of the market have undergone miscarriage of expectations, we are accumulating oversold equities, shares discarded by manic-depressive souls, by those who flout the adage: "Be into weakness, sell into strength."

It is a matter of record that CGR advocated the purchase of BOEING at \$16, FORD around \$17, GENERAL MOTORS under \$40, SEARS at \$16 (before splits), and other seasoned stocks that were out of favor with the stock market. More recently, our analysts recommended (during the oil glut) NIGHTHAWK RESOURCES, on the Vancouver Exchange, at \$2. "NHNW" spudded to \$16, before a 4-1 split. The new shares are approximately \$4.30, as evidence indicates that the corporation's Texas oil and gas field is a monumental discovery, one that may split the shares higher as investment calibre buying intensifies. Our forthcoming letter reviews "Big Board" entities that may be coveted by predators, at premium prices; in addition, CGR recommends a low-priced Venture Capital stock with the potential to surge, emulating the success of NIGHTHAWK.

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1012 P.A. Amsterdam, The Netherlands
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BT-W/2

12 Month High Low Stock

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FRIDAY, DECEMBER 14, 1984

TECHNOLOGY

The Video Screen Coming To Your Car's Dashboard

By MARSHALL SCHUON
New York Times Service

COMPUTER technology in automobiles has come a long way, sparked by the need for fuel efficiency through precise engine control. Although those under-the-hood electronics have been of interest primarily to engineers, the microchip is now being pressed into service in new ways that are liable to excite even the occasional driver.

The new technology is centered on video screens implanted in dashboards and hooked to the computers that control the car's audio, temperature and trip-monitoring systems. Cary Wilson, an engineer for General Motors Corp., has 100 rolling examples of what the electronic car of the future might look like.

They are Buick Rivas, metallic rose outside, smelling of leather inside. Moving down the highway, they are well-mannered and quiet, typical of America's idea of sporty luxury. But in the center of their dashboards they have video screens — cathode ray tubes, or CRTs.

Touch the word "Warner" on the screen and the car's interior becomes warmer. Call up the trip program, touch "ETA," and the car will estimate your time of arrival at a preprogrammed destination. The Buick is one of 100 that are being evaluated across the country, but the Buick Rogers dashboard belongs in an 1986 Riviera, where it will be standard equipment.

"There are going to be any number of things you can do with this," said Mr. Wilson, who is in charge of Buick's CRT program. "Satellite navigation is one of them, since the car will be able to keep track of itself on a video map. You'll be able to call up data banks and check your stocks, or ask what hotels are available in the city. You'll be able to call up maps and manuals, and you'll be able to program it with a directory for your cellular telephone."

It is all very impressive. If there is any potential problem with the new system, it is that the screen could be distracting to the motorist. It would be easy, for example, to find yourself crawling along, obstructing traffic, while playing with the new toy on the dashboard.

The CRT for the 1986 Buick incorporates a five-inch-square (12.7-centimeter-square) screen, surrounded by switches that summon the driver's desired program. That done, the controls are worked by touching the screen itself. "The switching uses two sheets of Mylar with inner conductive coatings," Mr. Wilson said. "The sheets are separated by space, and when you touch the screen you are deforming the upper surface and touching the inner one to close the circuit."

In the future, according to the Buick engineer, the division also hopes to expand the diagnostic capability of the system. "One advantage of centralized control," he said, "is that we know everything that is going on in the car electrically. With the CRT, we can interrogate the system, and it's a real wonder for the service guy, because it is going to allow him to do total diagnosis."

Like GM, Ford Motor Co. and Chrysler Corp. are experimenting with video dashboards. Ford has built 50 Lincoln Mark VII models called Comtechs, which are fully electronic with CRT dashboards. If the evaluation goes well, Ford says, as many as 3,000 will go on sale a year from now.

The undeniable gimmick value of the CRT display pales when compared with its actual benefit to drivers, according to Mr. Wilson. "As we have been adding features, we are getting so many controls on the dashboard that they are confusing," he said. "With the CRT, we are able to organize all of that, and the screen replaces as many as 80 or 90 control buttons."

Perhaps the most exciting idea, though, is satellite navigation. "This will be coming," Mr. Wilson said, "and it's very much the same as what aircraft are using. First, you bring up a map of the area that you are in. Then all you have to do is move a cursor to show the position of the car. After that, the car bounces a microwave beam off a satellite and the vehicle's control system triangulates to keep track of the car's position on the map."

Chrysler has developed a similar system. Using four satellites at a time, the car's computer reads its position in four dimensions — latitude, longitude, altitude above sea level and time — and pinpoints the vehicle's exact location on the television map in the driver's console.

Engineer says the real benefits of the CRT dash outweigh the 'gimmick value.'

ICI to Buy Beatrice Chemicals

10 Units Priced At \$750 Million

By Bob Hagerty
International Herald Tribune

LONDON — Imperial Chemical Industries PLC said Thursday that it had agreed to buy the chemical operations of Beatrice Cos. for \$750 million.

The planned purchase represents another move by the British chemical company to reduce its dependence on low-profit commodity chemicals and the sluggish European market. For Beatrice, a Chicago-based food and consumer-products giant, the sale would help reduce debt incurred in last spring's \$2.7-billion acquisition of Esmark Inc.

ICI's planned acquisition embraces 10 companies grouped as Beatrice Chemical. ICI executives said they were especially attracted by Beatrice's Fibertec Composite Materials unit, which makes composites used in aircraft, electronics and automotive applications. Other major attractions, they said, include Beatrice's advanced polymers and "high-performance" resins used in electronic, automotive and computer applications.

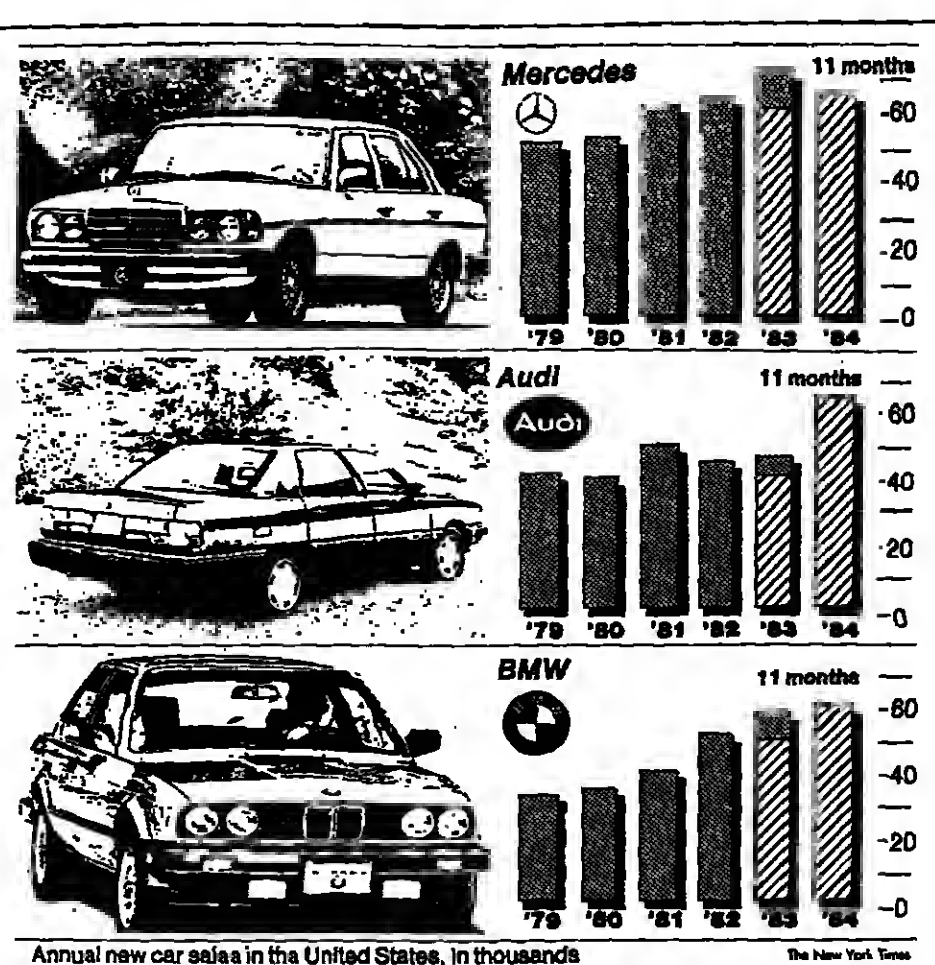
Among other operations to be acquired are units that make acrylic binders and finishes, finishes for concrete, printing ink, leather finishes and lubricants for heavy machinery.

For the year ending next February, ICI said the operations are expected to show a net profit of about \$40 million, up 21 percent from a year earlier, on sales of \$480 million, an increase of 9 percent.

The operations are likely to show sales and earnings growth of 10 to 15 percent a year in the next few years, Philip Harvey, an ICI director, said at a news conference.

Traders on the London Stock Exchange welcomed the move. ICI shares climbed 18 pence Thursday, to close at 688 pence (\$8.19) apiece. In London, investment analysts said the price seemed high, even for the specialty chemicals business. At \$750 million, ICI is paying about 19 times expected earnings for the

(Continued on Page 15, Col. 5)



Annual new car sales in the United States, in thousands

German Makers of Luxury Autos Compete to Sell More Cars in U.S.

By John Tagliabue
New York Times Service

BONN — West Germany's three largest makers of luxury performance cars are battling for the loyalty of affluent Americans.

Deliveries to the United States by the three automakers — Daimler-Benz AG, which makes Mercedes-Benz cars; Bayerische Motoren Werke AG, or BMW, and Audi AG, the luxury-car subsidiary of Volkswagenwerk AG — soared this year, boosted by the strength of the U.S. economy and the increasing American appetite for performance cars, which are well engineered and considered more capable of driving safely at high speeds than other cars.

However, the prime beneficiary of the increased imports of West German luxury cars by the United States has been Audi, the smallest of the three.

While Daimler said sales in the United States rose only 2.1 percent in the first nine months of 1984, to 54,577 cars, from 53,471 in the period last year, BMW reported a 21-percent increase in the first 10 months, to 57,728 cars, from 47,700, Audi,

which traditionally lags behind its two bigger competitors, reported that sales jumped 62 percent, to 60,000 cars, from 37,000.

Audi officials at the company's headquarters in Ingolstadt, southern Germany, and U.S. dealers attribute its recent success there to several new models that incorporate technological advances with competitive pricing.

Robert Runyon, sales manager at Porsche Audi Manhattan Inc., said: "Audi has always had their buyers, but now maybe there's a little more safety, a little more technology. We're a little less conservative than, say, Mercedes. I think price means a lot, too. Last year, Mercedes really capped out with prices."

The progress has taken Audi strategists by surprise. They hope to consolidate their U.S. gains by improving the dealer and service base, which Audi officials acknowledge needs improvement.

Peter Fischer, the company's sales manager in the United States, said Audi expects to increase U.S. sales in 1985 to about 80,000 cars, from (Continued on Page 15, Col. 1)

U.S. Retail Sales Post 1.8% Gain For November

By Caroline E. Mayer
Washington Post Service

WASHINGTON — U.S. retail sales, buoyed by early Christmas shopping, rebounded sharply last month after a four-month lull, the Commerce Department reported Thursday.

The agency said sales surged 1.8 percent above October's level and 8.3 percent above a year earlier, to a record \$110.3 billion. The surprisingly sharp increase in all sales categories — cars, apparel, building supplies and restaurants — was hailed as good news by economists, who said that it meant an end to the recent economic slump.

"The conventional recession looks less and less likely every day," said Roger Brinner, chief economist of Data Resources Inc. "The fact that retail sales are up more than 1 percent is a surprise to everybody," said Edward Friedman, senior economist of Chase Econometrics. "This has to indicate that the consumer is not dead, contrary to earlier reports."

However, financial analysts on Wall Street were skeptical of the figures, noting that the daily reports they are receiving from retailers indicate poorer-than-anticipated Christmas sales.

"It gives a false sense of strength," said Monroe H. Greenstein of Bear, Stearns & Co. "The reason it went up was that October sales were very weak. Based on this monthly 1.8-percent increase, it means that sales are increasing at a 22-percent annual rate — an extraordinary boom condition that is just not happening."

Stacy Ruchlamer, of Shearson Lehman/American Express Inc., said she was "surprised" to see such a strong sales gain. "The figures will probably be revised downward next month," she added.

But the Commerce Department's chief economist, Robert Ormer, said he doubted that there would be any significant revisions in the sales figures next month.

"I don't think we should doubt the resumption of growth in retail sales," he said. "The background factors are all favorable — growing incomes and high levels of consumer confidence."

The November spurt was the largest monthly increase since last April and followed a revised, one-tenth of 1 percent rise in October.

Car sales in November totaled \$22.8 billion, up 1.2 percent from October, but still below the record monthly level of \$23 billion set in June. Excluding cars, sales rose 2 percent in November.

The biggest gain came in apparel and accessory goods, which rose by 3.9 percent. Sales of building materials, hardware and garden supplies increased by 3.8 percent, the first increase for building materials in five months.

General merchandise was up 2.6 percent, following a 2.3-percent decline in October.

Overall, sales of nondurable goods rose 1.8 percent in November and 5.9 percent above the previous year. Sales of durable goods, defined as items expected to last three years or more, increased 1.7 percent over October and 12.9 percent over last year.

Dollar Stages Sharp U.S. Rise

United Press International

NEW YORK — The dollar rose sharply Thursday in the United States, boosted by higher U.S. retail sales and large corporate demand. But the U.S. unit gave a mixed performance in Europe.

The pound ended at \$1.19 in London, down from \$1.199 on Wednesday. In Frankfurt, the dollar closed at 3.089 Deutsche marks, down from 3.0895 DM previously. The U.S. unit finished at 9.4675 francs in Paris, down from 9.472 francs and in Tokyo, closed at 247.175 yen, up from 246.875 yen.

In New York, the pound closed at \$1.1895, down from \$1.1965 on Wednesday. The dollar ended at 3.1105 DM, up from 3.09 DM; at 9.529 French francs, up from 9.47 francs; and at 247.85 yen, up from 247.22 yen.

Currency Rates

Official foreign exchange rates on Dec. 13, excluding fees.
4 P.M.

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
Amsterdam	3.86	4.14	112.33	36.25	1.82	5.41	136.54	141.12	24.26
Brussels	42.12	44.32	20.12	6.26	2.21	17.25	24.26	26.12	1.21
Frankfurt	3.86	4.14	112.33	36.25	1.82	5.41	136.54	141.12	24.26
London	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19
Paris	9.47	9.47	9.47	9.47	9.47	9.47	9.47	9.47	9.47
Stockholm	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47
Switzerland	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19	1.19
Sweden	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47
Spain	166.36	166.36	166.36	166.36	166.36	166.36	166.36	166.36	166.36
Italy	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47
Japan	237.17	237.17	237.17	237.17	237.17	237.17	237.17	237.17	237.17
South Africa	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47	2.47
U.S. Dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Dollar Values

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
100 U.S. Dollars	100.00	166.36	4.93	31.10	1.93	5.41	136.54	141.12	24.26
100 DM	0.60	100.00	2.47	0.62	0.08	0.27	0.72	0.75	0.12
100 FF	0.02	0.04	100.00	0.03	0.00	0.03	0.07	0.08	0.01
100 £	0.03	0.01	0.03	100.00	0.06	0.27	0.72	0.75	0.12
100 Y	0.52	0.08	0.00	0.06	100.00	0.27	0.72	0.75	0.12
100 S	0.18	0.03	0.00	0.03	0.00	100.00	0.27	0.72	0.75
100 Sw	0.72	0.14	0.03	0.07	0.07	0.27	100.00	0.27	0.75
100 Sc	0.75	0.14	0.03	0.07	0.07	0.27	0.72	100.00	0.27
100 N	0.12	0.01	0.01	0.01	0.01	0.01	0.01	0.01	100.00

Interest Rates

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
1m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
3m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1y	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
1m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
3m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1y	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
1m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
3m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1y	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
1m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
3m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1y	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
1m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
3m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1y	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
1m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
3m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1y	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

	U.S.	DM	FF	£	Y	S	Sw	Sc	N
1m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
3m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
6m	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
1y	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00

U.S. Airlines Expected To Post Record Profits

By Robert E. Dallos
Los Angeles Times Service

NEW YORK — An official of the Air Transport Association of America has predicted that U.S. airlines will set new operating-profit records for 1984.

"The financial performance of the industry is particularly encouraging in view of the many recent years of poor industry financial results," said George W. James, the association's senior vice president, economics and finance.

But Mr. James, who spoke Wednesday to the New York Society of Airline Analysts, said that even with the improved 1984 performance the industry's net profit margin still will amount to only about 1.5 percent, "markedly below the U.S. industry average of about 5 percent."

Mr. James said that when final figures for 1984 are tabulated, the industry's operating profits will amount to nearly \$2 billion and net profits will be between \$600 million and \$800 million.

The operating profits will surpass the industry's previous record of \$1.4 billion set in 1978. But significant interest expense, Mr. James said, will keep the industry from bettering the net income record of \$1.2 billion, also set in 1978. In 1983, the airline industry had an operating profit of \$310 million and a net loss of \$188 million.

Mr. James predicted that 1985 would continue to be a profitable time for scheduled U.S. carriers, with operating levels about the same as those this year.

That's only half the profit margin that an industry of our size should have, he said. "This is based on an expectation that the economy will continue to show strength, particularly in the second half, and that fuel costs continue to come down."

Mr. James said in a later interview that the cost of jet fuel had declined 5 cents per gallon in 1984 over 1983 and was currently 83 cents per gallon domestically and 84 cents overall at home and abroad. He said he expected it to drop another 5 cents next year. The industry currently uses 11 billion gallons annually. Thus every drop of a penny means \$110 million in savings for the airlines.

Mr. James said the 1984 performance of the industry had been affected by several major factors, including a dramatic improvement in the U.S. economy, the decline in fuel prices, a significant moderation in labor cost increases and less intensive price wars.

Passenger travel continued to show large gains during 1984. Mr. James said, following a pattern that began during 1983's summer months. He said cargo traffic was experiencing good growth.



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BUSINESS ROUNDUP

ITT Aide Suspended in Stock Probe

By Robert E. Dallos
Los Angeles Times Service

NEW YORK — ITT Corp. has suspended an executive vice president and fired two public relations managers amid charges that insiders may have leaked company secrets and tried to manipulate its stock price.

Edward J. Gerrity Jr., executive vice president in charge of government relations and a top-time lieutenant of ITT's retired chairman Harold Gennery, was suspended last Thursday with pay, an ITT spokesman, James P. Gallagher, said Wednesday. He would not say under what circumstances Mr. Gerrity would be reinstated.

Also on Thursday, the conglomerate fired George Massana, director of public affairs, and William McHale, manager of public relations and civic affairs for ITT's southeast region, Mr. Gallagher said.

In a related development, the Securities and Exchange Commission has agreed to a request from ITT to investigate potential violations of securities laws arising from trading in the company's stock, sources said. The ITT spokesman declined to elaborate on the allegations and the SEC would not confirm that an investigation is underway.

The 61-year-old Mr. Gerrity, a tough-talking veteran of ITT's fa-

bled expansion during the 1960s, is considered one of the "top three or four" officials at the conglomerate, according to a source close to the company. He was promoted to executive vice president in October.

But ITT officials believe that he disagreed with the way ITT, under Rand V. Araskog, has departed from the growth strategy espoused by Mr. Gennery. Mr. Araskog, a reserved West Point graduate, began to divest company properties when he was named chairman and chief executive in 1979.

Mr. Gerrity, reached at his home in Rye, New York, said that company officials believe that ITT insiders have leaked a list of dissident shareholders to Irwin Jacobs, the Minneapolis investor who has accumulated ITT shares.

Such a list might help Mr. Jacobs enlist allies among shareholders in a takeover effort, and also might push up the price of ITT stock if other investors learned that a takeover group was forming, Mr. Gerrity said.

He said that ITT officials also believe that insiders have leaked stories to the press to suggest that some directors are unhappy with the performance of Mr. Araskog and have decided that the company should be liquidated. Such reports of internal dissension among the directors could encourage any

company or individual interested in a takeover, according to this line of reasoning.

ITT, which has substantial holdings in Europe, was built into a sprawling conglomerate in the 1960s and 1970s. Under Mr. Araskog, the company has sold off nearly 70 subsidiaries for more than \$1.5 billion and has refocused its resources. It has also slashed its dividend by more than half.

Mr. Gerrity said that he has been accused of taking part in the leaks, or of knowing that other ITT employees were committing them. He denied all the allegations and said he is not aware of any ITT employee who had done such things.

"These guys really sandbagged me," he said. He called the charges "a load of prime juice."

Mr. Massana and Mr. McHale could not be reached for comment. ITT has been the subject of intense takeover speculation for more than six months. Last week, speculation was rekindled and the company's stock price rose as Mr. Jacobs disclosed that he may have bought as many as 4.1 million shares, or about 3 percent of ITT's total shares.

On the New York Stock Exchange Thursday, ITT closed at \$39, up 12.5 cents from Wednesday.

Peat Marwick
Sued by FDIC in
Bank Collapse

The Associated Press

OKLAHOMA CITY — The Federal Deposit Insurance Corp. in a \$130.7-million lawsuit, has charged the accounting firm of Peat Marwick Mitchell & Co. with negligence and reckless behavior in failing to detect problems at the Penn Square Bank of Oklahoma City in the year prior to its collapse.

The Comptroller of the Currency closed the bank on July 5, 1982, after it became apparent that hundreds of millions of dollars in energy loans arranged by Penn Square were in or near default.

The FDIC suit, filed Dec. 7 in U.S. District Court, charges that Peat Marwick's conduct was inadequate in virtually every area of its 1981 year-end audit of the bank.

"Had PMM properly reviewed the bank's credit files, it would have been abundantly aware that there were rampant and continuing violations of the bank's internal lending policies," The Daily Oklahoman reported. But the accounting firm has rejected the charges.

Stake in Hong Kong Bank Is Sold

By Dinah Lee
International Herald Tribune

HONG KONG — Schroders & Chartered, one of Hong Kong's leading merchant banks, has announced a change in shareholding effective Jan. 1.

The 40-percent holding of Chartered Bank, a unit of Standard Chartered Bank PLC of Britain, is to be acquired by the two remaining partners, London-based Schroders PLC and the Kadoorie group in Hong Kong, Wednesday's announcement said. The price was not disclosed.

In addition, the merchant bank will be renamed Schroders Asia Limited, with 75 percent of its capital held by the Schroders group and 25 percent by Sir Elly Kadoorie.

The managing director of Schroders & Chartered, H.W. Boland, called the decision "a harmonious one," and said it was the logical outcome of rapid growth in the Asian banking market and the decision a year ago by Chartered Bank to establish its own merchant bank in Hong Kong, Standard Chartered Asia Ltd.

Schroders & Chartered's 1983 pretax profit was \$2.2 million Hong Kong dollars (\$2.6 million) and total assets were \$24.4 million dollars. Last year the bank also established a wholesale banking di-

vision and acquired a license as a deposit-taking company in Hong Kong.

Lord Kadoorie of Kowloon, formerly Sir Lawrence Kadoorie, will remain as the chairman of Schroders & Chartered after the change in ownership. Lord Kadoorie is also chairman of one of Hong Kong's two utility companies, China Light & Power Co.

Hongkong Land Issues Bills
Hongkong Land on Thursday reported signing a 200-million-dollar issue of bills of exchange, its second such issue. Last December, the company launched a 250-million-dollar facility.

The bills will be in denominations of 500,000 dollars and will have maturities of 30, 60 and 90 days.

Hong Kong's commercial-paper market has grown rapidly in the last two years with the issue of bills of exchange from leading local companies.

Earlier this week, the Hong Kong government publicly confirmed its decision to no longer require special permission from Hong Kong companies wanting to tap the market for funds through the issuance of commercial paper.

Commercial paper is a form of short-term finance for companies who issue discounted bills of ex-

change to financial institutions who then trade the bills as negotiable financial instruments in a secondary market.

The director of banking services for Schroders & Chartered, Douglas Ferguson, Wednesday called the government's move "very significant."

He said: "There's been a degree of uncertainty as to the legal status of commercial paper in Hong Kong, and interest created by the momentum of a developing market was dampened by the lack of legal clarification."

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300	150.14/20	150.14/20	150.14/20	150.14/20
300	150.14/20	150.14/20	150.14/20	150.14/20
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AMSTERDAM DEPOSITORY COMPANY N.V.
Amsterdam, 7th December, 1984.

German Luxury Auto Firms
Battle to Increase U.S. Sales

(Continued from Page 13)

71,000 this year. In 1983, Audi sold 47,936 cars in the United States.

Volkswagenwerk suffered heavy losses in the last two years, largely because of sluggish sales at subsidiaries in North and South America. But the company makes money not only from increased sales, but also from the 10-percent rise in the dollar's value against the Deutsche mark since last January. The strong dollar translates into larger profits

in marks, the currency in which the company balances its books and pays dividends.

As for Daimler, some people think that the best days have passed for the company, long the premier German automaker.

Traditionally, Daimler strategists have limited production of the luxury autos, creating a cult of scarcity in which Mercedes owners felt privileged to wait months for delivery. Many made the pilgrimage to Daimler headquarters in Stuttgart to be the first to drive their own cars from the assembly line.

Two years ago, Daimler shifted its strategy and decided to join the fray. It introduced its first compact, the 190, or "Baby Benz," and built a huge new factory in Bremen, West Germany. The company planned to raise sales to more than 500,000 units, from about 440,000 units in 1981.

Though the 190 has done remarkably well, some analysts have warned that in the long term, it could tarnish the exclusive Mercedes image.

"When you choose to run with the rest of the pack, you find the running can get pretty strenuous at times," said an industry consultant in Essen, West Germany, who asked not to be named.

Still, Daimler chose to pursue the path further this year. The company offered a range of seven new medium-sized models, for its 200 and 300 series.

COMPANY NOTES

Datapoint Corp. notified its 8,500 employees that it had hired an investment banking firm to come up with ways to avoid a takeover by a New York investor, Asher Edelman, who announced Monday that he owns 8 percent of Datapoint stock and is considering seeking control of the San Antonio, Texas-based computer manufacturing company.

Fujitsu Ltd., the Japanese electronics company, said its U.S. subsidiary, Fujitsu Microelectronics Inc., will build a 30-billion-yen (\$122.44 million) semiconductor factory near Portland, Oregon.

GTE Communications Systems International, a unit of GTE Corp., the U.S. telephone company, said it sold its 49-percent interest in a Brazilian joint venture company for an undisclosed sum to its partner, Companhia Forca e Luz, Cataguzes Leopoldina. The venture, called Multitel, will thus meet Brazil's requirements for 100-percent Brazilian ownership of high-technology businesses.

Honda Motor Co. of Japan said it is recalling 327,000 subcompact cars, including 241,000 exports mainly to the United States. The company said it would recall Accord and Vigor models of 1,750-cc and the Accord model of 1,601-cc, produced between August 1981 and August 1982, for wiring defects between the generator and the battery.

Merrill Lynch & Co., the U.S. securities-industry company, said it reached an agreement to form a new clearing operation with Wagner, Stott & Co., a U.S. clearing firm. The new unit is to be a subsidiary of Merrill Lynch but will function as a separate entity under the management of the Wagner Stott principles in charge of the present clearing operations.

Motorola International Development Corp., a subsidiary of Motorola Inc. of the United States, has had its application to build a \$48-million plant to make semiconductors in Taiwan approved by the Economics Ministry. The plant in Chungli, south of Taipei, will start operating in July 1985 and most of its products will be exported to the United States.

News International, the British arm of Rupert Murdoch's publishing empire, is raising \$350 million to finance acquisition of several U.S. magazines, Citicorp International Bank said. The company wants to acquire magazine titles from the Ziff Davis concern in the United States.

Samsung Semiconductor & Telecommunications Co. of South Korea has won orders to export 5100 million worth of 64-kilobit dynamic RAM, or random access memory chips next year.

SmithKline Beckman Corp., the U.S. pharmaceutical company, pleaded guilty and two of its medical officials have pleaded no contest to charges of failing to report to the U.S. Food and Drug Administration the lethal side effects of the blood-pressure drug Scleraprin.

Thai International Airways has ordered two more A-300 Airbus planes from Airbus Industrie, the European consortium. The airline already has 10 A-300s, and has on order another four in addition to the two latest orders. No details of the cost of the latest contract were given.

ICI to Buy
Beatrice Units

(Continued from Page 13)

current year and several times the \$155-million book value of the assets. Analysts also noted that some of the businesses, notably lubricants and leather finishes, are low-growth.

Still, said Howard Coates, chief chemical analyst at the brokerage firm of de Zoete & Bevan, "on balance, we think it's good news."

Christopher Marsay, of Grieson, Grant & Co., said there is "a big swing in the profile of the company away from cyclical bulk chemicals towards higher-value drugs, agrochemicals, specialty chemicals." He estimated that such commodity areas as petrochemicals, plastics and fibers would account for 20 percent of ICI's operating profit this year and 10 percent in 1985.

Much of ICI's recent earnings strength reflects its success with heart treatments and its greater emphasis on North America, which accounted for about a fifth of the company's chemical sales of \$7.45 billion (\$8.94 billion) last year. The company also has benefited strongly from the plunge of the pound over the past few years.

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Goldsmith Seeks
Zellerbach Stake

The Associated Press

SAN FRANCISCO — Crown Zellerbach executives say that a British financier intends to buy up to 25 percent of the company's common stock, a move the company said was not in the best interests of its shareholders.

The San Francisco-based forest products company said Sir James Goldsmith plans the purchase, which would give him overwhelming control of the company. Crown Zellerbach has 27 million shares of stock outstanding, with no single shareholder owning more than 5 percent, according to the company's proxy statement.

On Thursday, Crown stock ended \$5.25 up at \$34 on the New York Stock Exchange. Sir James said he would buy the stock through his General Oriental Investments Ltd. in the British West Indies. The company is to buy 15 percent to 25 percent of Crown's stock, he said. At current prices that would fix the investment between \$115 million and \$190 million.

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as we move towards
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Sir Michael Herries, Chairman

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The Future. We shall be seeking constantly to diversify our activities. For example, we have already submitted an application to allow us to provide car insurance through our own wholly-owned insurance company and we hope to sell our first policies early in the new year. The results achieved this year demonstrate our success in developing our business and improving profitability and balance sheet strength as we work steadily towards our merger. We are confident that we shall continue to build on the sound foundations for the future established by our two existing banks and to expand still further the business of the new Royal Bank of Scotland in the years ahead.

Key figures	Year ended 30 Sept 1984	Year ended 30 Sept 1983	Change
Profit before taxation	£131.5m	£95.5m	+37 1/2%
Total assets	£13,386m	£11,077m	+21%
Dividends per 25p ordinary share	8.5p	7.4p	+15%

The Royal Bank of Scotland Group plc
Scottish Bank
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Copies of the 1984 Annual Report and Accounts may be obtained from the Assistant Secretary, The Royal Bank of Scotland Group plc, 36 St. Andrew Square, Edinburgh EH2 2YB.

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Prev. 4 P.M. vol. 6,710,000Tables include the nationwide prices
up to the closing on Wall Street12 Month
High Low Stock Div. Yld. P/E 1984 High Low Quot. Chng.

12 Month	High	Low	Stock	Div.	Yld.	P/E	1984	High	Low	Quot.	Chng.
74	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0

12 Month	High	Low	Stock	Div.	Yld.	P/E	1984	High	Low	Quot.	Chng.
74	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0

12 Month	High	Low	Stock	Div.	Yld.	P/E	1984	High	Low	Quot.	Chng.
74	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0
154	10	10	ADIT	0.00	0.00	10	10	10	10	10	0

Over-the-Counter
NASDAQ National Market Prices

Sales in 100s High Low 3 P.M. Chng.

Sales in	100s	High	Low	3 P.M.	Chng.
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0

Dec. 13

NASDAQ National Market Prices

Sales in	100s	High	Low	3 P.M.	Chng.
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0

Dec. 13

NASDAQ National Market Prices

Sales in	100s	High	Low	3 P.M.	Chng.
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0

Dec. 13

NASDAQ National Market Prices

Sales in	100s	High	Low	3 P.M.	Chng.
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0

Dec. 13

NASDAQ National Market Prices

Sales in	100s	High	Low	3 P.M.	Chng.
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0

Dec. 13

NASDAQ National Market Prices

Sales in	100s	High	Low	3 P.M.	Chng.
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0
100	10	10	10	10	0

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ADVERTISE
INTERNATIONAL
Dec. 13

NEW HIGH 4
NEW LOWS 22

AMEX High-Lows
Dec. 13

Chiff 2.50
Sole 2.40

NEW HIGH 4
NEW LOWS 22

AMEX High-Lows
Dec. 13

Chiff 2.50
Sole 2.40

SPORTS

The Alarm Rises Among Eagles' Fans

Owner Considers Move from Philadelphia to Tucson

By William Robbins

New York Times Service

PHILADELPHIA — For Philadelphia fans, the Daily News said it all. A giant "Booooo!" dominated the newspaper's front page.

And from Veterans Stadium in the south to North Philadelphia, from Chestnut Hill on the west to the Delaware River on the east, Philadelphia fans echoed the cry on learning that the Eagles, the team they had cheered as often as they had booed, might flee to the Sun Belt.

A mixture of anger and regret has been rising here since word filtered out Tuesday that the team's owner, Leonard Tose, was weighing a move to Arizona. Business and civic leaders expressed dismay over prospective losses of revenue, placed at up to \$15 million, that some say the team brings to the city. And fans worried about damage to the city's image and self-esteem.

"I don't think it's fair to Philadelphia fans," said Henry Boyle, 72, who has followed the fortunes of the often hapless Eagles since the time, in 1933, when the Frankford Yellowjackets became the Philadelphia Eagles and the young team played at the now forgotten Baker Bowl in North Philadelphia.

Like others, Boyle was awaiting the outcome of efforts by Mayor W. Wilson Goode, to dissuade Tose from a choice they feared he had already made. So far, Tose has

oily acknowledged that he was considering a deal that would move the team to Phoenix.

It matters not, said Boyle, that Philadelphia fans have become known throughout the National Football League for their impatience with poor plays. Even through years when their patience has been tested most severely, their loyalty rarely waned, he noted, until the football strike of 1982 and subsequent evidence of resentment reflected in gaudy receipts.

There have been plenty of years to test football fans' patience, he and others noted. In 51 years, through the 1983 season, the Eagles won 265 games in regular-season play while losing 349 and playing to a tie 21 times. In those same 51 years they won three National Football League titles.

In the 19 years since the merger of the National with the American Football League, they have won the National Conference title once, in 1980, before losing to the Oakland Raiders in Super Bowl XV.

The team's winning season in 1980 had helped generate a burst of pride, along with the World Series won that same year by the Philadelphia Phillies.

It would be Philadelphia's second loss of a sports team this year. The Stars of the U.S. Football League, fearing that they could

never compete for fan loyalty with Philadelphia's Eagles, had already decided to move to Baltimore.

NFL Meeting

Mark Asher of The Washington Post reported.

As the Eagles' move appeared more likely, the NFL Wednesday called a special meeting for Tuesday to discuss the situation and Senator Arlen Specter, Republican of Pennsylvania, said he would introduce legislation to limit franchise shifts when Congress reconvenes next month.

In Philadelphia, Mayor Goode said the city has a "50-50 chance" of keeping the Eagles. He also said Tose was seeking \$42 million for an unspecified minority interest to keep the team in Philadelphia.

Pete Rozelle, the NFL commissioner, was said to be opposed to the move, partly on the ground that such a transfer would strengthen the U.S. Football League's \$1.2-billion antitrust suit against the NFL, according to Specter. Don Weiss, executive director of the NFL, also said Rozelle opposed the move, but declined to say why.

There were no indications that the NFL would act to establish guidelines for a new rule on franchise shifts, despite the fact that many lawyers believe a federal appeals court ruling in the Los Angeles Raiders antitrust case allows such guidelines. The NFL holds that it is powerless to set such guidelines, and no vote was taken when the Colts moved from Baltimore to Indianapolis.

Goode and three aides met with Tose for two hours Tuesday night. The mayor talked to about 75 Philadelphia businessmen Wednesday and met with representatives of 15 leading institutions. Later, at a press briefing, Goode expressed hope that Philadelphia interests could put together the package by Thursday, three outsiders, James Monaghan, a Canadian citizen and part-time resident of Phoenix, who would buy a 25 percent interest in the team and move it there.

Specter, speaking at a press conference in Washington, said that he had spoken with Tose Wednesday morning and that Tose told him there was "nothing binding in writing" that a deal was set in Phoenix. But one source said the move was "almost certain."

Bob Maynes, press secretary for Senator Dennis DeConcini, Democrat of Arizona, said, "Our information, through multiple sources, is that the Eagles will move and an announcement will come as early as Monday. Dennis would be surprised if the move didn't take place."

Specter said he would reintroduce a bill that he originally proposed in 1982 after the Raiders moved from Oakland to Los Angeles. It would give the NFL limited antitrust exemptions only in the area of franchise relocation.

The Specter bill, which he said also may include baseball to prevent a move by the Pittsburgh Pirates, would allow teams to move if their stadium was inadequate or if the team had lost money for three consecutive years.



Dan Marino, unanimous selection for Pro Bowl squad.

Marino and Montana To Start in Pro Bowl

The Associated Press

NEW YORK — Dan Marino of the Miami Dolphins and Joe Montana of the San Francisco 49ers were unanimous choices for starting quarterbacks in the 1985 Pro Bowl.

Marino, who has shattered one National Football League passing record and is poised to break another, was one of three unanimous selections for the American Conference squad. Montana, the National Conference's leading passer, will start for the National Conference squad.

Marcus Allen of the Los Angeles Raiders and safety Kenny Easley of the Seattle Seahawks were also unanimous choices for the American Conference. Linebacker Lawrence Taylor of the New York Giants was the only other unanimous selection in the NC.

The Pro Bowl will be played Jan. 27 at Aloha Stadium in Honolulu. Marino broke an NFL single-season record with his 44 touchdown passes and is only 59 yards short of the single-season yardage mark with one game left. He and Allen are joined as starters in the backfield by running back Freeman McNeil of the New York Jets.

Other offensive starters for the American Conference include wide receivers Mark Duper, from Miami, and John Stallworth, Pittsburgh; Anthony Munoz, Cincinnati; and Brian Holloway, New England; guards John Hannah, New England, and Ed Newman, Miami; and center Dwight Stephenson, Pittsburgh, and Steve Nelson, New England.

The defensive starters are ends Howie Long, Los Angeles Raiders, and Mark Gastineau, New York Jets; outside tackle Joe Nash, Seattle; inside tackle Rod Martin, Raiders; Mike Merriweather and Robin Cole, Pittsburgh, and Steve Nelson, New England.

New England; cornerbacks Mike Haynes and Lester Hayes and safety Vann McElroy, Raiders.

Reggie Roby of Miami is the punter, Norm Johnson of the Seahawks the placekicker and Louis Lipps of Pittsburgh the kick returner.

Eric Dickerson of the Los Angeles Rams, who broke O.J. Simpson's NFL single-season rushing record Sunday with 2,007 yards, and Walter Payton of the Chicago Bears, the NFL's all-time leading ground gainer, join Montana in the starting backfield for the NC squad.

Other offensive starters on the NC squad are: wide receivers Roy Green, St. Louis; James Lofton, Green Bay; tackles Joe Jacoby, Washington, and Mike Kenn, Atlanta; guards Russ Grimm, Washington, and Randy Cross, San Francisco; center Fred Quillan, San Francisco, and tight end Paul Coffman, Green Bay.

For the defense: ends Lee Roy Selmon, Tampa Bay, and Richard Dent, Chicago; tackle Dan Hampton, Chicago; linebackers Ricky Jackson, New Orleans, and Mike Singletary, Chicago; cornerbacks Mark Haynes, New York Giants, and Darrell Green, Washington; safeties Todd Bell, Chicago, and Dwight Hicks, San Francisco.

The specialists are: Brian Hansen, New Orleans, punter; Jan Stenerud, Minnesota, placekicker; Henry Ellard, Los Angeles Rams, kick returner, and Bill Bates, Dallas, special teamer.

The teams were chosen by a vote of each of the conference's coaches and the NFL Players Association members on each of the teams. Each team's vote was counted as two units — the coaches as one, the players as another.

Ali Sues to Regain WBA Title

He Lost During Vietnam War

The Associated Press

WASHINGTON — Muhammad Ali, the former world heavyweight boxing champion, has sued the U.S. government and the World Boxing Association in an effort to regain the title that was taken from him after he was convicted of draft evasion during the Vietnam war.

Ali, 42, is asking \$50 million in damages, and he wants the court to force the WBA to name him holder of its title for 1967-70, the years of his arrest, conviction, appeal and exoneration. The Supreme Court overturned the conviction, allowing him to return to boxing.

He also seeks to have any reference to the conviction removed from his record.

A "substantial portion" of any money gained from the suit would be given to Vietnam veterans and their families through a foundation he established last May, according to the suit filed in U.S. District Court in Washington.

The complaint said the government's prosecution of Ali and the WBA's stripping of his title caused him to suffer "embarrassment, great mental anguish, damage to

his good name and reputation, humiliation, severe emotional distress, false accusations, false arrest, and detention, slander and deprivations of his civil and constitutional rights."

It also said Ali lost earnings by his inability to earn boxing purses during 1967-70, the years he was not permitted to fight by state athletic associations after the WBA action, and lost opportunities for commercial income such as endorsements, appearances and testimonials.

Named in the suit were the Selective Service System and the estate of its long-time director, the late Lieutenant General Lewis B. Hershey; the Justice Department and three former attorneys general, Nicholas Katzenbach, Ramsey Clark and John Mitchell, and the WBA and its former president, M.R. Evans, and its current president, Gilberto Mendoza.

Royce C. Lamberth, assistant U.S. attorney and chief of the civil division, said the government had not received the suit and would not comment on it.

Ali, a gold medal winner in the 1960 Olympic Games, was convicted of draft evasion, fined \$10,000 and sentenced to five years in prison. The Supreme Court overturned the conviction, ruling that the government wrongly rejected the claim that his Muslim religion prevented him from fighting in the war.

He held the heavyweight title in the years 1964-67, 1974-78 and 1978-1979.



Muhammad Ali

1960 Olympic Games, was convicted of draft evasion, fined \$10,000 and sentenced to five years in prison. The Supreme Court overturned the conviction, ruling that the government wrongly rejected the claim that his Muslim religion prevented him from fighting in the war.

He held the heavyweight title in the years 1964-67, 1974-78 and 1978-1979.

Mair Clocks Best Time In Practice

Compiled by Our Staff From Dispatches

VAL GARDENA, Italy — Italian Michael Mair set the fastest time on an icy, bumpy track during practice Thursday for the first men's World Cup downhill race of the season.

Mair, who won a giant slalom race two seasons ago at nearby Madocsa di Campiglio, clocked the day's best time of 2 minutes, 06.64 seconds through 35 gates on the 3.3-kilometer course.

Second in Thursday's only training run was World Cup alpine skier Hermann Zörbigen, the season points leader who is threatening to become a contender in all four World Cup race disciplines. Zörbigen clocked 2:07.06, a third of a second faster than Helmut Höflehner of Austria, who timed 2:07.35.

Thursday's run was the first timed run for Saturday's race. The race got another change Friday for timed practice on a course that was getting faster Thursday as late starters came down.

At Madonna di Campiglio Thursday, Brit Peterson of Norway won the 5-kilometer cross-country race, which opened the women's Nordic Skiing World Cup competition. Peterson finished in 15 minutes, 47.50 seconds. Antonina Ordina of the Soviet Union was second in 15:49.40, and another Soviet skier, Lydia Vasilenko, third in 15:52.80. (UPI/AP)

Pirates Get Hendrick In Trade With Cardinals

The Associated Press

PITTSBURGH — The Pittsburgh Pirates have made their long-awaited move for a power-hitting outfielder, picking up George Hendrick and a minor league infielder from the St. Louis Cardinals in exchange for left-handed pitcher John Tudor and catcher-outfielder Brian Harper.

The Cardinals, in turn, have picked up a "good, solid starter" in Tudor and have cleared their outfield for younger players like Andy Van Slyke and Vince Coleman, said the Cardinals general manager, Joe McDonald.

The Pirates general manager, Harding (Pete) Peterson, who announced the four-player deal Wednesday, said he is still seeking more power for the Bucs' anemic offense.

The Pirates are awaiting Commissioner Peter Ueberroth's permission to obtain New York Yankees outfielder Steve Kemp and shortstop Tim Lincecum in exchange for Pirates shortstop Dale Berra and a minor league outfielder, Jay Buhner.

"This is what we're looking for — Hendrick's a proven power-hitter. And maybe we can still do more," Peterson said. "We always said we were strong in pitching and we can afford to give up a pitcher or two."

Hendrick, 35, batted .277 with nine home runs and 69 RBIs in 120 games for the Cardinals last season. He missed most of the final month of the season after a small, benign tumor was removed from his thyroid gland.

He has a lifetime .283 average in 13 seasons with the Oakland A's, Cleveland Indians, San Diego Padres and the Cardinals.

The Pirates drew only 773,500 fans last year, the worst showing in the National League, and the team is for sale.

Tudor, 30, had a 12-11 record and a 3.27 ERA in 32 starts for the Pirates last season. He was acquired last December in a deal that sent outfielder Mike Easley to the Boston Red Sox.

The Cards also receive Harper, 25, who batted .259 with two home runs and 11 RBIs in 46 games last season.

The Cards also gave up Steve Bernard, 23, who was assigned to the Pirates' Class A team in Macon, Georgia. A switch hitter obtained in the June free-agent draft, Bernard batted .317 with six home runs and 45 RBIs in 74 games with the Cards' Class A team in Erie.

Peterson has been shopping for power-hitting outfielders for some time.

A trade that would have brought Kemp from the Yankees and Seal Yogi Berra's son, Dale, to New York was halted by Ueberroth because the Yankees were going to spend more than baseball's maximum of \$400,000 on the transaction.

The Pirates were to receive the money from the Yankees, who were to pay Kemp \$600,000 in deferred payments under his contract. Ueberroth told the clubs to restructure the deal.



Otis Birdsong of the Nets drives past the Bucks' Paul Pressey in New Jersey's 116-109 defeat of Milwaukee.

Hawks Defeat Cavaliers In 3d Try This Season

United Press International

NEW ORLEANS — The Cleveland Cavaliers have only two victories this season in 21 games, both against the Atlanta Hawks.

On Wednesday night, however, the Hawks finally managed to join the rest of the National Basketball Association in beating up on the hapless Cavs, crushing Cleveland 116-99.

NBA FOCUS

Association in beating up on the hapless Cavs, crushing Cleveland 116-99.

Dominique Wilkins fired in 33 points to pace Atlanta, while Terry Ruffin scored 13 points, pulled down 12 rebounds and blocked eight shots.

Rollins said the Hawks wanted the win to avenge the earlier losses to the Cavaliers, so they took little time in squelching a second-period comeback bid by the Cavs.

"Cleveland has pretty good talent on that team," he said. "I think we started to relax a little in the second quarter. But we came together as a team and played tough defense."

"My first couple of shots were off, but I started to get it down," said Wilkins, who missed his first three shots from the field before warming up.

Elsewhere in the NBA, it was Philadelphia 110, Boston 107; New Jersey 116, Milwaukee 109; Detroit 102, Chicago 95; Dallas 116, Kansas City 107; San Antonio 126, Denver 105, and the Los Angeles Lakers 131, Golden State 107.

The Hawks, 10-13, raced to a 36-14 lead at the end of the first quarter behind balanced scoring from Wilkins, Rollins, Mike Glenn and Eddie Johnson.

Phil Hubbard fueled a brief rally for the Cavaliers at the start of the second period, scoring seven points in the first three minutes to narrow the gap to 38-23.

The Hawks held a 55-42 lead at the half, then blew the game open in the third quarter. Kevin Willis picked up three field goals and a free throw in the last 3:25 of the period, and Wilkins connected on a lay-up and four foul shots to push the Hawks to a 98-70 lead at the end of the third quarter.

Penguins Down Islanders

United Press International

PITTSBURGH — You can tell the Pittsburgh Penguins have come a long way. They are analyzing a victory against the New York Islanders. The old Penguins would

NHL FOCUS

have just taken the two points and two — to disbelieve.

Todd Charlesworth's first National Hockey League goal with 9:54 remaining to a 4-3 victory over the Islanders Wednesday, extending the Penguins' winning streak to four games.

"I think we asked ourselves a couple of questions in the last couple of days. Why did we play so well and win three in a row?" was one of them, said Penguins Coach Bob Berry. "I think it was evident why tonight. We got involved in the game, we finished our checks, and we played with a lot of intensity."

Elsewhere in the NHL, it was Boston 3, New York 2; Buffalo 2, Hartford 2; Chicago 5, Detroit 1;

Toronto 6, Philadelphia 3; Washington 3, Minnesota 2, and Calgary 9, Winnipeg 2.

"Charlesworth played tremendous, super. He got a very big goal for us," said Berry. "To put four in a row together after the horrendous streak we had is very uplifting."

The Islanders, former four-time Stanley Cup champions, dropped games on consecutive nights to the Patrick Division doormats — New Jersey and Pittsburgh.

"We just don't have enough guys showing up to play. The injuries to Ken Morrow and Bob Nystrom hurt us a lot," Coach Al Arbour said. "They're always tough players, especially on the road. The other guys have to pick up the slack and they're not."

But Arbour went on to praise the progress Pittsburgh has made. "Pittsburgh is much improved, they have all those kids who add a lot of life and enthusiasm," he said. "They do certain things very aggressively. They play a strong, aggressive checking game. They're vastly improved."

SCOREBOARD

Basketball

NBA Standings

EASTERN CONFERENCE

Atlantic Division

W	L	Pct.	GB
1	0	1.000	
2	1	.667	
3	2	.600	
4	3	.556	
5	4	.500	
6	5	.444	
7	6	.389	
8	7	.333	
9	8	.278	
10	9	.222	

Boston	10	1	
Philadelphia	7	4	
Washington	6	5	
New York	5	6	
New Jersey	4	7	
Atlanta	3	8	
Charlotte	2	9	
Orlando	1	10	

Central Division

W	L	Pct.	GB
1	0	1.000	
2	1	.667	
3	2	.600	
4	3	.556	
5	4	.500	
6	5	.444	
7	6	.389	
8	7	.333	
9	8	.278	
10	9	.222	

Minneapolis	10	0	
Detroit	10	0	
Chicago	10	0	
Indiana	10	0	
Cleveland	10	0	

WESTERN CONFERENCE

Midwest Division

W	L	Pct.	GB
1	0	1.000	
2	1	.667	
3	2	.600	
4	3	.556	
5	4	.500	
6	5	.444	
7	6	.389	
8	7	.333	
9	8	.278	
10	9	.222	

Denver	10	0	
Houston	10	0	
Utah	10	0	
Dallas	10	0	
San Antonio	10	0	
Kansas City	10	0	

Pacific Division

W	L	Pct.	GB
1	0	1.000	
2	1	.667	
3	2	.600	
4	3	.556	
5	4	.500	
6	5	.444	
7	6	.389	
8	7	.333	
9	8	.278	
10	9	.222	

L.A. Lakers	10	0	
Phoenix	10	0	
Portland	10	0	
San Diego	10	0	
L.A. Clippers	10	0	
Golden State	10	0	

WEDNESDAY'S RESULTS

Denver	100	99	Utah	100	99
San Antonio	100	99	Phoenix	100	99
Golden State	100	99	Portland	100	99
San Diego	100	99	L.A. Clippers	100	99
San Antonio	100	99	Golden State	100	99

San Antonio	100	99	Golden State	100	99
San Antonio	100	99	Golden State	100	99
San Antonio	100	99	Golden State	100	99
San Antonio	100	99	Golden State	100	99
San Antonio	100	99	Golden State	100	99

San Antonio	100	99	Golden State	100	99
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San Antonio	100	99	Golden State	100	99

San Antonio	100	99	Golden State	100	99
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San Antonio	100	99	Golden State	100	99
San Antonio	100	99	Golden State	100	99
San Antonio	100	99	Golden State	100	99
San Antonio	100	99	Golden State	100	99

